

STANDING COMMITTEE ON AGRICULTURE
(2007-2008)

FOURTEENTH LOK SABHA

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

DEMANDS FOR GRANTS (2008-2009)

THIRTY-NINTH REPORT



LOK SABHA SECRETARIAT
NEW DELHI

APRIL, 2008/, CHAITRA, 1930 (Saka)

THIRTY-NINTH REPORT**STANDING COMMITTEE ON AGRICULTURE
(2007-2008)****(FOURTEENTH LOK SABHA)****MINISTRY OF AGRICULTURE
(DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES)****DEMANDS FOR GRANTS (2008-2009)**

Presented to Lok Sabha on 16.4.2008

Laid in Rajya Sabha on 16.4.2008

**LOK SABHA SECRETARIAT
NEW DELHI**

APRIL, 2008/ CHAITRA, 1930 (Saka)

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Composition of the Standing Committee on Agriculture (2007-2008)

Prof. Ram Gopal Yadav – Chairman

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LOK SABHA

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3. Shri Anil Basu
4. Shri Manoranjan Bhakta
5. Shri Girdhari Lal Bhargava
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29. Shri Sharad Anantrao Joshi
30. Shri M. Rajasekara Murthy
31. Prof. M.S. Swaminathan

Ceased to be the member of this Committee due to his appointment as Minister of State (Independent charge) in the Council of Ministers w.e.f. 06.04.2008

* Ceased to be the members of this Committee due to retirement in Rajya Sabha w.e.f. 02.04.2008

SECRETARIAT

- | | | | |
|----|--------------------------|---|----------------------|
| 1. | Shri S.K.Sharma | - | Additional Secretary |
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| 3. | Shri Raj Kumar | - | Deputy Secretary |
| 4. | Shri N.S.Hooda | - | Deputy Secretary |
| 5. | Ms. Amita Walia | - | Under Secretary |
| 6. | Shri Pramod Kumar Sharma | - | 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 Thirty-Ninth report on the Demands for Grants (2008-2009) 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 17.3.2008. 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 31st March, 2008. 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 11th April, 2008.

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;

11 April, 2008
22 Chaitra, 1930 (Saka)

PROF. RAM GOPAL YADAV

Chairman,
Standing Committee on Agriculture

PART-I

CHAPTER – I

OVERALL EVALUATION OF THE DEMANDS FOR GRANTS 2007-08 OF THE DEPARTMENT OF ANIMAL HUSBANDRY, DAIRYING AND FISHERIES

Status of Implementation of the recommendations made by the Committee in Twenty Ninth Report of the Committee on Demands For Grants (2007-08).

1.1 The Standing Committee on Agriculture presented Twenty-ninth Report on Demands for Grants (2007-08) relating to the Department of Animal Husbandry, Dairying and Fisheries on 27 April, 2007. The Thirty-fifth Report on Action Taken by the Government on the recommendations contained in the Twenty-ninth Report on DFG (2007-08) was presented to Lok Sabha on 30 November, 2007. Out of 15 recommendations, 7 recommendations were accepted by the Government. The replies of the Government in respect of 4 recommendations were not accepted by the Committee. The Committee reiterated these recommendations in their Thirty-fifth Report. Besides, the Committee had their comments on five recommendations in all. Replies to four recommendations were of interim nature.

1.2 The Committee in their Recommendation no. 3 regarding Livestock Insurance recommended to reduce premium to be paid by the beneficiaries from 50% to 25% and provide 100% subsidy to people who belong to Below Poverty Line and SC/ST communities. The Government has referred this issue to Institute of Rural Management (IRMA) to find out the problems in implementation of the scheme. Recommendation nos. 4 and 8 regarding avoiding renaming/clubbing of various schemes and better allocation to Dairy development, the

Government has agreed to proceed like wise. The Committee in their Recommendation No. 10 regarding viability of Delhi Milk Scheme, recommended to expedite process of its corporatisation. The Government, in pursuance of the recommendation, had called 'Expression of Interest' from reputed agencies to send proposals in the matter.

CHAPTER – II

OVERVIEW OF DEMANDS

2.1 Animal Husbandry, Dairy and Fisheries activities, along with agriculture, continue to be an integral part of human life since the process of civilization started. These activities have contributed not only by their contribution to the food basket and draught animal power but also by maintaining ecological balance. Owing to conducive climate and topography, Animal husbandry, Dairying and Fisheries have played prominent socio-economic role in India. Traditional, cultural and religious beliefs have also contributed in the continuance of these activities. These activities also 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.

2.2 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 8000 km. and immense inland water resources.

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

2.4 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 the 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 in the country.

2.5 India's milk production during 2006-07 was 100.91 million tonnes and is estimated to reach 102 million tonnes during 2007-08. India continues to be the largest producer of milk in the World. India, with 46.2 billion egg production in 2005-06, ranks third in egg production in the World as per FAOSTAT data for the year 2006. India's egg production was 51 billion during 2006-07. The production of wool was 45.1 million kg. during 2006-07. India is now the third largest producer of fish in the world, and second largest producer of fresh water fish in the world. During 2006-2007, total fish production was 68.69 lakh tonnes. The fish seed production was 31688.01 million fry during the same year.

2.6 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 2.6%, 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

2.7 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.

2.8 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

2.9 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.

2.10 The approach for the 11th Plan for the livestock sector aims 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 strategy to provide additional employment opportunities to people in rural areas and to achieve higher growth in Animal Husbandry sector, as informed by the Ministry for the 11th Plan is 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

2.11 Budget Estimate (BE), Revised Estimate (RE) & Actual expenditure of the

Sl. No.	Year	Budget Estimate (BE)	Revised Estimate (RE)	Expenditure	%age expenditure RE of w.e.f.
1.	2003-2004 Plan Non-Plan Total	300.00 35.05 335.05	275.00 56.00 331.00	271.76 52.24 324.00	98.82 93.29 97.8
2.	2004-2005 Plan Non-Plan Total	500.00 36.42 536.42	575.00 43.42 618.42	566.22 39.55 605.77	98.47 93.23 97.95
3.	2005-2006 Plan Non-Plan Total	669.08 41.61 710.69	599.00 41.61 640.61	589.37 39.84 629.21	98.39 95.75 98.22
4.	2006-2007 Plan Non-Plan Total	777.00 42.86 819.86	750.00 164.86 914.86	679.33 169.46 848.79	90.58 102.79 92.78
5.	2007-2008 Plan Non-Plan Total	910.00 45.00 955.00	810.00 58.43 868.43	712.32 (upto 29.02.08) 65.28 (upto 31.01.08) 777.60	87.94 111.72 89.54

Deptt. during the last five years are as under.

(Rs. in crore)

2.12 The Central Plan outlay for the 2008-09 Plan is fixed at Rs.375485 crore, which consisted of Rs.195531 crore from I.E.B.R. and Rs.179954 crore from budgetary resources. The share of the Department for the year 2008-09 to the

total Central Plan outlay is 0.27% and account for 0.56% of the total central budgetary resources.

2.13 The Budget allocations in respect of Demand No. 3 which was laid in the House on 17.03.2008 pertaining to M/o Agriculture, Deptt. of Animal Husbandry, Dairying and Fisheries (AHD&F) are given below: -

(Rs. in crore)								
Budget Estimate 2007-08			Revised Estimate 2007-08			Budget Estimate 2008-09		
Plan	Non- plan	Total	Plan	Non- plan	Total	Plan	Non- plan	Total
910.00	45.00	955.00	810.00	58.43	868.43	1000	62.43	1062.43

2.14 It may be seen from the above that there is 9.07% decrease in Plan Allocation at Revised Estimate Stage in 2007-08 as compared to Plan allocation of Rs. 910 Crore at Budget Estimate stage. Also the allocation of resources for the year 2008-09 is only 10.98% up as compared to BE 2007-08 and 12.34% up as compared to RE 2007-08. This is not commensurate with the inflation rate. So there is no virtual increase in Budget allocation for the year 2008-09. When enquired about the reasons for the same, the Department has stated as under:

“This was done presumably on account of lower pace of expenditure in the first six months of the financial year. It was informed that the Department had formulated the Annual Plan proposals (2008-09) to the tune of Rs.1891.25 crore. In the Annual Plan discussions, the Planning Commission had indicated an outlay of Rs 1100.00 crore for this Department. Against the original proposal of Rs.1891.25 crore and revised proposal of Rs.1100.00 crore, the Planning Commission has allocated a BE of Rs.1000 crore only for 2008-09. The Planning Commission was requested vide D.O. letter dated 12.02.08 from the Secretary (ADF) to Member (Agriculture), Planning Commission to enhance the Plan Outlay of the Department for 2008-09. when the matter has been taken up with the Planning Commission, it has assured that enhancement of allocation

will be considered during the Half Yearly Performance Review of the Department, likely to be held in September 2008. “

2.15 On being asked about the details pertaining to sectors in which the allocations for the year 2008-09 has decreased/increased in comparison to the allocation for 2007-08, the Department has given the following information:

(Rs. in crore)

Sector	<u>Annual Plan 2007-08</u>		Annual Plan 2008-09	Increase/decrease in BE 2008-09 over BE 2007-08
	BE	RE	<u>BE</u>	
(1)	(2)	(3)	(4)	(5)
Animal Husbandry Sector	440.92	357.46	521.00	80.08
Dairy Development	88.50	109.25	98.00	9.5
Fisheries	205.68	168.14	215.00	9.32
Sectt. & Eco. Services	4.90	5.15	6.00	1.10
Spl. Package for suicide prone districts of Andhra Pradesh, Maharashtra Karnataka and Kerala	170.00	170.00	160.00	(-10.00)
Grand Total	910.00	810.00	1,000.00	90.00

2.16 During the evidence when asked if the allocated amount is sufficient to meet the targets fixed by the Department the Secretary, deposed that the cut in funds could adversely affect the implementation of Schemes of the Department.

He further added:

“We were hoping that we will get some increase from Rs. 1100 crore. But finally what we got is Rs. 1000 crore for 2008-09 for the next year. The result of this will be that even though we were proposing to take up some new schemes during the Eleventh Five -Year Plan to which the Planning

Commission has given in principal approval, but because of the revised allocation for the next year, we are very doubtful that it will not be possible to take up the new schemes in 2008-09.”

2.17 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 Government of India (GOI) during Tenth Plan and for the first two years of 11th Plan, it is 0.28%(2007-08) and 0.27%(2008-09) respectively. Similarly, the percentage of Budgetary Resources came down from 1.1% during the Ninth Plan to 0.61% during the Tenth Plan and for the year 2008-09 of the 11th Plan is 0.56%. The Budget Estimates for the year 2008-09 are Rs.1062.43 crore comprising of Plan allocation of Rs.1000 crore and Non-Plan allocation of Rs.62.43 crore.

2.18 The, year-wise, details of the allocation of the Department along with total Central Plan outlay and Budgetary Support earmarked by Government of India and IEBR of Central Ministries, during the Tenth Plan and also during the first two years 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
9.	2008-09	375485	195531	179954	1000.00	0.27	0.56

2.19 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).

2.20 On being asked about the Plan outlays and percentage allocation of Department of Animal Husbandry, Dairying and Fisheries vis-à-vis Central Plan outlay of the Government of India during the last five years and for 2008-09 and comparison with some other Ministry/Department, the Department has replied as under:

(Rs. in Crore)

Ministry/Department	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
DADF	300.00	500.00	669.08	777.00	910.00	1000.00
% allocation w.r.t. Central Plan Outlay	0.20	0.31	0.32	0.31	0.28	0.27
Telecommunications	14955.00	11660.00	11801.01	19509.31	25561.97	21434.60
% allocation w.r.t. Central Plan Outlay	10.11	7.12	5.59	7.68	7.99	5.71
Health	1550.00	1800.00	2908.00	11305.00	13875.00	15580.00
% allocation w.r.t. Central Plan Outlay	1.05	1.10	1.38	4.45	4.34	4.15
Rural Development	10270.00	11437.40	18334.00	24025.62	32000.00	38500.00
% allocation w.r.t. Central Plan Outlay	6.94	6.99	8.68	9.46	10.00	10.25
Urban Development	2497.32	2175.71	2877.48	2752.40	5165.75	5478.36
% allocation w.r.t. Central Plan Outlay	1.69	1.33	1.36	1.08	1.61	1.46
Food & Public Distribution	138.23	65.39	157.05	206.68	251.71	144.64
% allocation w.r.t. Central Plan Outlay	0.09	0.04	0.07	0.08	0.08	0.04
Education	7025.00	8225.00	15243.76	20745.50	28674.00	34400.00
% allocation w.r.t. Central Plan Outlay	4.75	5.02	7.22	8.17	8.96	9.16
Ministry of Finance	2492.69	1925.25	2241.62	1251.49	825.69	2776.00
% allocation w.r.t. Central Plan Outlay	1.69	1.18	1.06	0.49	0.26	0.74
Central Plan Outlay of GOI	147892.61	163720.29	211253.49	254041.48	319992.08	375485.00

2.21 Following is the GDP in livestock & fisheries sector:

Year	GDP at current prices from livestock sector	GDP at current prices from fisheries sector	Total GDP of the country at current prices	Percentage contribution livestock sector in total GDP at current prices	Percentage contribution fisheries sector in total GDP at current prices	Percentage contribution livestock and fisheries sector in total GDP at current prices
	(Rs. in crore)	(Rs. in crore)	(Rs. in crore)	(%)	(%)	(%)
9 th Plan (1997-98 to 2001-02)	473864	97397	8827283	5.4	1.1	6.5
10 th Plan (2002-03 to 2006-07)	677911	147023	14743024	4.6	1.0	5.6

2.22 It may be seen that GDP in the sector is coming down. Percentage contribution of the sector has come down from 6.5% in 9th Plan to 5.6% in 10th Plan. When asked about the reasons for this down fall, the Department replied:

“The decline in the share of livestock and fisheries sector of the total GDP is due to faster growth in the overall GDP as compared to that of GDP in livestock and fisheries sector”.

In this regard the Secretary during the oral evidence informed that:

“GDP was 6.5 per cent during the Ninth Plan which came down to 5.6 per cent during the Tenth Plan. This has been a matter of concern to everybody. The position in this regard is that we contribute more than 31 per cent to the output of agriculture, and we contribute more than five per cent to the GDP. But the allocation of the Department in the overall allocation of the Ministry of Agriculture, even though we contribute more

than 31 per cent, in the year 2008-09 is 7 per cent of the total outlay for all the three Departments of the Ministry of Agriculture. As regards the GDP, our allocation in the Central Plan outlay is of the order of 0.27 per cent in the year 2007-08. In 2008-09, even though we contribute more than five per cent, our allocation in the Central Plan outlay is of the order of 0.27 per cent. This is a very important factor that we have to bear in mind.”

2.23 As per the information regarding GDP at current prices the growth rate in livestock and fisheries sector during the last three years is as follows:

<u>Year</u>	<u>Growth rate (%)</u>	
	<u>Livestock</u>	<u>Fisheries</u>
	(including Dairying)	
2004-05	15.04	2.67
2005-06	5.22	18.92
2006-07	15.50	3.53

Figures for 2007-08 are not yet available.

2.24 It has been noticed that growth rate of livestock (including Dairying) has decreased drastically in 2005-06, whereas fisheries sector shows a higher growth rate in 2005-06 and thereafter it shows drastic reduction in growth rate in 2006-07. When enquired about the reasons for the same, the Ministry replied as under:

“The increase in the growth of GDP (at current prices) of livestock sector was due to increase in the prices of milk and eggs in 2006-07 as compared to increase in prices during 2005-06. Similarly, the fall in the growth of GDP (at current prices) of the fisheries sector in 2006-07 was due to negative growth of prices of inland fish in 2006-07 as compared to very high price rise in 2005-06. The other reason for low growth of fisheries sector during 2004-05 is the adverse impact of Tsunami on production of marine fisheries, which struck in December, 2004. High growth rate during 2005-06 is partly due to low base (growth rate) during 2004-05. Growth rate during 2006-07 is reflective of the normal average trend growth rate for the fisheries sector as a whole.”

2.25 On being asked about the details of the schemes which were allocated funds in 2007-08 but not started yet, the Department has informed the Committee that the 11th Plan allocation of the Department was communicated to the Department only in November, 2007. As a result, the new schemes could not be moved for requisite approvals earlier to that. Hence, the new schemes could not be started in 2007-08. Details of the new schemes proposed for the Eleventh Plan for which funds were allocated in 2007-08 and their status are as below:

Sl.No.	Name of the Scheme	B.E 2008-09	Status
1.	Poultry Development	22.09	An EFC Memo for the scheme has been prepared, which is being progressed for obtaining requisite approvals.
(i)	Assistance to State Poultry/Duck Farms		
(ii)	Rural Backyard Poultry Development		
(iii)	Establishment of Poultry Estates		
2.	Project for Slaughter Houses and CU Plants	0.01	The EFC memo for the proposed scheme is currently under preparation. However, in view of non-allocation of funds, it would not be possible to take up implementation of this scheme in 2008-09.
(i)	Establishment/modernization of rural slaughter houses, including mobile slaughter plants		
(ii)	Utilization of Fallen Animals		
3.	Project for Feed and Fodder	10.00	NABCONS has been engaged for preparation of an 'Approach Paper' in respect of the proposed scheme. The paper is expected by March end.
4.	Livestock Extension and Delivery Services	--	No outlay has been provided by the Planning Commission for the year

Sl.No.	Name of the Scheme	B.E 2008-09	Status
(i)	Support for Private Veterinary Clinics and AI Centres	--	Planning Commission for the year 2008-09.
(ii)	Strengthening Livestock Extension System	--	
5.	Small Ruminant Development (including resource-mapping in 100 potential districts and promotion of entrepreneurial programmes in small ruminants)	15.00	An EFC memo has been finalized and also examined by the IFD. It is being circulated to other appraisal agencies.
6.	Piggery Development (including resource-mapping in 100 potential districts and promotion of entrepreneurial programmes in piggery)	8.00	A draft EFC memo has been prepared.
7.	Salvaging & Rearing of Male Buffalo Calves	25.00	The EFC Memo has been finalized and also examined by the IFD. It is being circulated to other appraisal agencies.
8.	Food Safety and Traceability	3.00	NABCONS has been engaged as a consultant to prepare an approach paper.
9.	Poultry Venture Capital Fund (including Setting up of Retail Poultry Dressing Units)	20.00	It was decided in the Zero-Based Budgeting exercise that there should be a separate Poultry Venture Capital Fund in view of huge demand & potential for employment generation. The Department accordingly proposes to implement a separate venture capital fund for poultry during the Eleventh Plan. A draft EFC memo has been prepared.

Setting up of Indian Council of Veterinary Research and Education

2.26 The Livestock sector contributes about 4% of the total GDP. Such an important sector cannot depend only upon ICAR for veterinary education and research because ICAR essentially deals with plant sciences. The Committee desired to know about Government's apprehensions and reservations if a separate Council of Veterinary Research and Education is set up, the Department has replied as under:

“As per second schedule of Government of India (Allocation of Business) Rules, 1961, the subjects fundamental, applied and operational research and higher education including coordination of such research and higher education in animal husbandry, dairying and fisheries have been allocated to Department of Agricultural Research and Education. Therefore, the issue of creation of a separate Indian Council of Veterinary Research and Education is required to be examined by Department of Agricultural Research and Education, which is also under the Ministry of Agriculture. Further, the department have replied that besides crop sciences, Indian Council of Agriculture Research (ICAR) has also a number of Institutes, which are devoted exclusively to research in animal husbandry, dairy and fisheries sectors. Some of the important Institutes of ICAR in this regard are Indian Veterinary Research Institute, Izzatnagar, National Dairy Research Institute, Karnal, Central Avian Research Institute, Izzatnagar, Central Institute for Research on Buffaloes, Hisar, Central Institute for Research on Goats etc.”

2.27 During the course of oral evidence the representative of the Department further elaborated on the issue as under:

“Subject of agriculture research comes under the preview of Department of Agriculture Research and Education. Accordingly, the recommendation of the Committee has been referred to the Secretary, Department of Agriculture Research and Education for examination appropriate action. As per interim arrangement it is submitted that beside crop sciences Indian Council of Agriculture Research (ICAR) has also a number of Institutes, which are devoted exclusively to research in animal husbandry, dairy and fisheries sectors. We should enhance coordination with them.”

CHAPTER – III

ANIMAL HUSBANDRY

3.1 The Department operates 18 Central Livestock Organizations and allied Institutions for production and distribution of superior germ plasms 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.

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

(Rs. in crore)

Year	BE	RE	Actuals
2003-04	172.10	181.79	181.93
2004-05	284.38	348.91	348.73
2005-06	397.91	337.50	326.94
2006-07	415.00	496.98	437.17
2007-08	440.92	357.46	328.02(up to Feb. 2008)
2008-09	521.00	-	-

3.3 It may be seen that during the years 2003-04 and 2004-05 fund utilisation was equal to fund allocation. In 2005-06 and 2006-07, there was decrease in fund utilisation. However, during 2007-08 the Department has been able to spent Rs.328.02 crore (till February, 2008) out of the revised allocation of Rs.357.46 crore.

New Schemes

3.4 Following are the fund allocations for some of the new schemes:

(Rs. in crore)

	2007-08			2008-09	
Name of the Scheme/Project/ Programme	BE	RE	Actual (upto 29.02.2008)	Proposed Allocation	BE
Special Feeding Programme For Raising heifers	0.01	0.01	00.00	0.00	-
Establishment of Livestock Food Corporation	0.01	0.01	00.00	0.00	-
Resource Mapping in 100 Potential districts and promotion of entrepreneurial programme in small ruminants and pigs	0.01	0.01	00.00	0.00	-

3.5 On being asked about not allocating any amount to these schemes and present status of these schemes, the Department replied that The first two schemes were dropped on the basis of discussions with the Planning Commission during Zero Based Budgeting Exercise and for other two an EFC memo has been prepared.

Central Sector Scheme

3.6 Following are funds allocations for the under mentioned Central Sector schemes:

(Rs. in crore)						
S. No.	SCHEME	11 th Plan Outlay	BE 2007-08	RE 2007-08	Exp upto 31.12.07	BE 2008-09
(i)	Small Ruminant Development	200.00	10.22	0.04	0.00	15.00
(ii)	Piggery Development	150.00	9.48	0.04	0.00	8.00

3.7 Asked the reasons for reduction of funds during 2007-08 for these schemes at RE stage, the Department replied as under:

“The Small Ruminant Development and Piggery Development Scheme are components of the macro scheme ‘National Project for Improvement of Poultry and Small Animals’. Before approvals to these schemes could be obtained, the Planning Commission advised this Department to formulate stand-alone species-specific schemes rather than development of multi species schemes. Accordingly, instead of pursuing the aforementioned schemes in macro-management mode, separate schemes for development of small ruminants and piggery development have been formulated for implementation in the 11th Plan. The schemes, therefore, could not be implemented in 2007-08. The allocations for 2008-09 indicated in the question relate to the new schemes developed for implementation during the 11th Plan.”

The status of the schemes:

Small Ruminant Development - An EFC memo has been finalized and also examined by the IFD. It is being circulated to other appraisal agencies.

Piggery Development - A draft EFC memo has been prepared.

Salvaging & Rearing Male Buffalo Calves

3.8 During 11th Plan a new scheme has been approved for the welfare of Male Buffalo with an outlay of Rs. 300.00 crore. BE 2008-09 is Rs. 25.00 crore. About 35000, male buffalo calves are likely to be converted during 2008-09 as per the information given by the Department.

Poultry Venture Capital Fund

3.9 A poultry venture capital fund has been established in view of huge demand and potential for employment generation. 11th Plan outlays for the scheme is Rs. 200.00 crore and BE 2008-09 is Rs. 20.00 crore. In case of Dairy/Poultry Venture Capital Fund, 50% interest subvention is provided if the loan payments are made in time. Under Intensive Dairy Development Programme, 50 paise to one rupee is provided as transport subsidy for feed and fodder supply in hilly areas covered under the project.

Food Safety & Traceability

3.10 Food Safety in terms of products of animal origin means controlling the health status of the animals from which these food products are derived. Biological, Chemical and Physical agents like bacteria, virus, pesticides, heavy metals, foreign bodies etc. present in the body of the live animal may contaminate animal products (milk, meat, fish, eggs etc.) at levels that are unacceptable in terms of public health. Controlling the safety of food of origin at the primary production stage therefore involves all the measures necessary to ensure that these contaminants do not end up in animal products. The expression “from the stable to the table” and “from the field to the plate” indicates the stages at which the scheme will address itself to the question of production of food of animal origin. With a view to achieve this objective a new scheme ‘Food Safety and Traceability’ was introduced during 11th Plan with an outlay of Rs. 50.00 crore and BE 2008-09 is Rs. 3.00 crore.

National Project for Cattle and Buffalo Breeding (NPCBB)

3.11 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. 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). 28 States and UTs participating in the project have been provided financial assistance of Rs.348.89 crore upto 2006-2007. During 2007-2008, an amount of Rs 40.30 crore has been released till December 2007.

3.12 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.

3.13 Physical Targets & Achievements of 2006-07 and 2007-08 and Physical

Targets 2008-09 of NPCBB scheme are as under:

(Rs.in crore)						
Sl. No.	Quantifiable Deliverables	Target 2006-07	Achievements 2006-07	Target 2007-08	Achievement 2007-08 (upto Feb., 2008)	Target 2008-09
1	Establishment of Mobile AI units	5500	6789	3000	2675	7000
2	Strengthening of Semen Stations	10	13	5	5	15
3	Establishment of Frozen Semen Banks	60	65	30	27	15
4	Establishment/Strengthening of Training Centres	12	16	5	4	45
5	No. of Semen doses produced	36 million	39 million	22.5 million	25 million	45 million
6	No. of artificial inseminations carried out	35 million	34 million	21.5 million	27 million	43 million
7	No. of Animals brought under conservation programme	20,000	20,000	25000	22300	50000
8.	No. of improved calves born from AI	13 million	12 million	7 million	10 million	13 million
9	No. of Progeny Tested bulls produced	10	10	8	10	15
10	No. of Progeny Tested bulls used for breeding	100	100	100	100	200

3.14 A major new component of Phase-II is bull production programme. India is well known for world famous Murrah buffaloes. Inspite of having best genetic resources, the productivity of Murrah Buffaloes has not increased, as expected,

mainly because of negative selection pressure due to poor acceptability of Artificial Insemination (AI) among buffalo population, availability of poor quality of sires at semen stations and use of bulls with unknown genetic potential under natural service. This situation has left the Murrah population in a state of genetic stagnation. In order to develop buffalo population, Murrah bull production programme with an allocation of Rs 128.28 crore is proposed to be taken up in Phase-II. On being asked about the modus operandi and implementation of this new component of the scheme the Department has replied:

”under this component, identification and tagging of superior germplasm and rearing of male calves suitable for breeding up to breeding age in case of Murrah buffaloes and one year in case of cattle bulls is done. Incentive to the farmers is also admissible under the component. Production of quality exotic and crossbred bulls from imported embryos and semen can be taken up under the component.”

3.15 Further on being asked about the amount allocated and actual expenditure incurred on Phase-II of NPCBB during the last two years, the Department informed as follows:

“The Phase-II of NPCBB has been initiated since December 2006. The total amount allocated and actual expenditure incurred under Phase-II of NPCBB during last two years is given below:

(Rs in crore)

Allocation	2006-07	2007-08
BE	106.00*	51.00
RE	152.00*	51.00
Actual Expenditure	119.34**	49.48 (upto 15 th March 2008)

* Includes allocation made under Special Package for suicide prone districts.

** Includes expenditure of Rs 63.91 crore under the special package.”

Project for Feed and Fodder

3.16 The nutritive value of feed and fodder has a significant bearing on productivity of livestock. Due to increasing pressure on land for growing food grains, oil seeds and pulses, adequate attention has not been given to the production of fodder crops. Further, on account of diversified use of agriculture residues, the gap between the demand and supply of fodder is increasing. Frequent droughts in several states have also brought out the need to develop fodder banks in vulnerable areas and strategies for improving the supply/transportation of fodder from one region to other regions in the country. During 11th Plan an outlay of Rs. 141.40 has been provided for the scheme 'Project for Feed and Fodder' and Budget Estimate for 2008-09 is Rs. 10.00 crore. On being asked about inadequate amount allocation, the Department replied:

"This scheme involves an ongoing component and some new components are also proposed to be added. NABARD Consultancy Services have been engaged to prepare an Approach Paper, which will be the basis for formulating an appropriate scheme. In view of inadequate funds available for 2008-09, a higher provision for the scheme could not be kept." During oral evidence the Secretary of Department orated that there is deficit of feed and fodder. Though Department have some schemes of fodder development, grassland development, and fodder block-making units, yet these have not given the desired results. There is tremendous pressure on the area under fodder for various reasons. Paucity of feed and fodder adversely affects the productivity of our animals."

Bird Flu/Animal Diseases

3.17 Avian Influenza also known as Bird Flu (H5N1 Virus), outbreaks in Birbhum and Dakshin Dinajpur districts of West Bengal on 15.01.2008. The disease spread to 11 more districts of the State, viz., Murshidabad, Burdwan, South-24 Parganas, Nadia, Hooghly, Howrah, Coochbehar, Malda, Paschim Medinipur, Bankura and Purulia. The outbreak covered 49 blocks and 2

municipalities in 13 districts of West Bengal, affecting 8% of the geographical area and 6% of the poultry population of the state. Moreover, there are apprehensions for it being spread to other districts of West Bengal including Kolkata. According to WHO it is the country's most serious outbreak of bird flu. Bird flu has shaken not only the poultry industry which provides income to almost 50% of landless labourers but also the confidence of the consumers. When asked about the reasons for occurrence of bird flu, total of birds culled out and to protect uninfected poultry from infected poultry and the loss suffered therefor, the Department has furnished the following information: The reason for occurrence of bird flu could be one of the following:

- (i) bird to bird contact in border areas;
- (ii) smuggling of infected birds;
- (iii) Scavenger, wild and migratory birds.

It is not feasible to reach a definite conclusion on actual source of infection. As many as 40.32 lakhs poultry birds have been culled in West Bengal till 19.03.2008. Further, 14.91 lakh eggs and over 80,000 kg feed material have also been destroyed in these operations. To implement the strategy of preventive culling in the neighbouring states, the number of birds culled by Assam, Bihar and Jharkhand are 0.80 lakh, 4.70 lakh and 0.11 lakh respectively. No culling has been undertaken in Orissa. As mentioned above, The Government of West Bengal had been advised to seal all the affected areas to prevent any movement of poultry and poultry products to other areas. Government of India has developed vaccine bank of 45 million doses of poultry vaccine. Vaccination has not yet been introduced in the country. The poultry industry has put the loss due to the current episode of Avian Influenza in West Bengal at Rs.1500 crore over a period of two months. As per calculation done by this Department, the loss of poultry industry is assessed to range from Rs.904 crores to Rs.1266 crores in different scenarios of price decline over a period of two months.

Setting up of Laboratories

3.18 During the outbreak of avian influenza last time, the shortage of High Security Animal Disease Laboratory was felt, as there was only one laboratory at Bhopal. On being asked about the Government's proposal to set up more such laboratories in the Country, the Department replied as under:

"The Government has proposed to set up 23 Bio-Security Level-II (BSL-II), 6 BSL-III and one BSL-IV laboratories for testing of samples for Avian Influenza. Total 21 states are selected for setting up of 23 BSL-II laboratories. Preliminary screening of the samples for Avian Influenza will be performed in these laboratories. Out of 6 BSL-III laboratories, 4 pre-fabricated laboratories are proposed to be set up at Guwahati, Pune, Jalandhar and Bareilly and 2 constructed BSL-II laboratories at Kolkata and Bangalore. Confirmatory diagnosis of Avian Influenza are proposed to be given by BSL-III laboratories."

3.19 In this connection the Secretary, during the evidence deposed that

" We have 17 to 18 bio safety laboratories level-II. What we need for diagnosis of bird flu is, at least, bio safety level-III. That is BSL-III labs. So, we have, in principle, Government approval for setting up six BSL-III labs, which will be able to diagnose and test the samples for bird flu. We want to set up one of these on priority basis, in Kolkata, West Bengal. Immediately, we want to have two pre-fabricated BSL-III labs for which we are just awaiting approve of the World Bank because this money is coming from the World Bank assistance. We want to place orders immediately, and I am hopeful that within five to six months we should, at least, have two pre-fabricated BSL-III labs installed in two place. We are considering to set up four other labs at other places. One BSL-IV lab also contemplated to be set up."

Special package for suicide prone Districts

3.20 An allocation of Rs.170 Crore has been made for special package to provide relief to farmers in 31 suicide prone districts of 4 States for induction of high yielding milch animals, calf rearing programme, cattle/buffalo breeding and feed and fodder supply programme. The Committee sought details of the funds utilized so far in each State and asked the number of milch animals inducted so far with their resources. The Department has furnished the following information:

(a) Utilization of Funds Under Special Package for suicide-prone Districts

(Upto Feb.08)

(Rs. in lakh)

Sl. No.	Item under Special Package	Andhra Pradesh	Maharashtra	Karnataka	Kerala
1	Induction of high Yielding Milch Animals	1252.00	979.30	315.30	750.00
2	Calf rearing Programme	215.00	188.05	19.44	181.50
3	Cattle & Buffalo breeding services	1764.00	90.34	247.97	333.53
4	Feed & Fodder supply Programme	761.00	153.07	70.25	273.60
5	Establishment of fodder block making units	--	85.00	--	--
6	Health Care	25.00	--	3.84	--
7	Supply of Bulk Coolers	432.00	70.22	137.95	4.05
8	Construction of fish Ponds	400.00	*	*	*
9	Grand Total	4849.00	1566.48	794.78	1542.68

* Funds have been released under this component to Maharashtra, Karnataka and Kerala. However, position of actual expenditure is awaited from these States.

(b) The number of milch animals inducted so far is as below:

State	Targets	Achievement up to Feb 2008
Andhra Pradesh	20947	8344
Maharashtra	9822	9003
Karnataka	8008	1905
Kerala	6000	2057
Total	44777	21309

3.21 In this regard the Secretary, DAHD&F, during the evidence stated:

“Suicide Prone District Programme that operates in four States for which we have an allocation of Rs. 170 crore for it. There is going to be some saving because the off-take by those States has not been adequate. The position of the low off-take in the four States, which are covered under the suicide-prone package and we have not been able to spend the entire allocation of Rs. 170 crore.”

Livestock Insurance

3.22 The Livestock Insurance scheme was approved in February, 2006 for its implementation during the remaining part of 2005-06 and in 2006-07 in 100 selected districts on a pilot basis. The objective of the scheme is to protect farmers against losses due to untimely death of their animals. Budgetary Allocations for the scheme:

(Rs.in crore)

Year	BE	RE	Actual
2005-06	50.00	19.35	24.21
2006-07	51.00	51.00	50.60
2007-08	35.00	21.82	16.05 (Till 28 th Feb, 2008)
2008-09	16.00		-

It may be seen that the BE of Rs.35.00 crore was reduced to Rs.21.82 at the RE stage during 2007-08. Also against the proposed allocation of Rs. 140 crore for the year 2008-09, the Planning Commission has allocated Rs. 16.00 crore at BE stage.

3.23 Responding to the queries asked about the measures taken for enhancing the period of insurance coverage to five years instead of three years and also the action taken to reduce the premium to be paid by the beneficiaries, from 50% to 25% and 100% subsidy to be provided to the people who belong to Below Poverty Line and SC/ST Communities, the Department has stated that:

“The unspent balance funds available with states from releases of previous years, the demand for funds was reduced accordingly. This resulted in reducing the allocation of funds at RE stage to Rs. 21.82 crore. To assess the efficacy and impact of the Livestock Insurance scheme during the pilot years 2005-06 to 2007-08 and to identify the weaknesses affecting it, the scheme is being evaluated independently by the Institute of Rural Management, Anand during the current financial year. Based on the findings and suggestions of the evaluation study, the Livestock Insurance Scheme may be considered for implementation throughout the country covering more species of livestock during 2008-09 and beyond.

The Planning Commission had allocated funds of Rs. 51.00 crore for Livestock Insurance for the entire Eleventh Five Year Plan. As BE for 2007-08 was Rs. 35.00 crore, an amount of Rs. 16.00 crore was available for 2008-09 from the Eleventh Plan allocation and accordingly allocation for 2008-09 at BE was made for Rs. 16.00 crore.”

3.24 The details of funds provided as subsidies in Livestock Insurance Scheme during last three years are as follows:

Year	Premium Subsidies (in lakh)
2005-06	Nil
2006-07	1999.94
2007-08	620.00

For 2008-09 the Livestock Insurance Scheme has not yet been approved.

Export of Livestock Products

3.25 The Department have informed that export matters as well as the promotion of the export of livestock products are dealt with by the Department of

Commerce and its agencies such as Agricultural and Processed Food Products Export Development Authority (APEDA), etc. When asked about the details of export of various livestock products in last three years, the Department has furnished the following information:

Livestock Products: -

(Qty : in MTs)
(Value: in Crores)

Year	2004-05		2005-06		2006-07	
Item	Qty	Value	Qty	Value	Qty	Value
Buffalo meat	337777.65	1774.52	459937.63	2629.57	494111.48	3211.70
Sheep/Goat meat	9024.49	81.27	7177.51	80.37	5481.55	63.05
Poultry products	277744.46	160.79	145889	167.58	710880.12	315.90
Dairy products	42160.06	358.69	59745.73	552.28	37391.11	395.15
Animal Casings	552.73	12.64	1125.82	17.51	435.98	9.51
Processed Meat	1359.7	9.45	256.04	2.43	825.01	6.80
Total:-	666619.09	2397.36	674131.73	3449.74	1249125.25	4002.11

CHAPTER IV

DAIRY DEVELOPMENT

4.1 The Indian Dairy Industry acquired substantial growth momentum from 9th Plan onwards, achieving an annual output of about 97.1 million tonnes of milk during 2005-06. India's milk output during the year 2006-2007 reached the level of 100.9 million tonnes (provisional) and is estimated to reach 102 million tonnes in 2007-08. 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 246 grams per day in the year 2007-08, 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.

4.2 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.

4.3 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).

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

(Rs. in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
BE	29.90	51.62	92.00	79.00	88.50	98.00
RE	19.97	74.12	91.58	73.00	109.25	-
Exp.	19.61	63.66	91.58	75.91	108.19 (till Feb. 08)	-

Centrally Sponsored Scheme

4.5 Following are the financial allocations under Centrally Sponsored Schemes for Dairy Development Projects:

(Rs. in crore)

Scheme	11th Plan	BE 2007-08	RE 2007-08	Exp upto 29.02.2008 (2007-08)	BE 2008-09
Project for Dairy Development	225.00	39.00	52.76	52.16	49.99
National Dairy Plan		0.00	0.00	0.00	0.01
Total CSS	225.00	39.00	52.76	52.16	50.00

Central Sector Schemes

4.6 Following are the financial allocations under Central Sector Schemes for Dairy sector:

(Rs. in crore)						
S. N.	Scheme	11 th Plan	BE 2007-08	RE 2007-08	Exp upto 29.02.2008	BE 2008-09
1.	Assistance to Cooperatives	50.00	3.50	5.50	5.05	7.00
2.	Delhi Milk Scheme	5.00	1.00	1.00	0.99	1.00
3.	Dairy Venture Capital Fund	300.00	45.00	49.99	49.99	40.00
4.	Total CS	355.00	49.50	56.49	56.03	48.00

Export of Milk and Milk products

4.7 Milk and milk products are being exported to more than 50 Countries.

The details of the quantity and values of milk & milk products exported during the last three years is as follows:

Year	Export	
	Qty. (MTs)	Value (Rs. in crore)
2004-05	42160.06	358.69
2005-06	59745.73	552.28
2006-07	37391.11	395.15

Delhi Milk Scheme

4.8 DMS was established to provide reasonably priced milk and milk products to Delhi consumers. From the initial installed capacity of 2.55 lakh litres per day, the capacity of DMS now stands at 5 lakh litres per day. Manufacture and sale of milk products like Ghee, Table Butter, Yoghurt, Paneer, Chhachh and Flavoured milk is also undertaken as an allied activity. The target envisaged for 2008-09 is to make 3.25 lakh Kg per day procurement of Milk and 4.0 lakh ltrs per day sale of Milk.

The Non-Plan budget for 2008-09 is as under:

Expenditure under B.E. 2008-09 - Rs. 319.27 crore

Revenue Receipt under B.E. 2008-09- Rs. 311.54 crore

4.9 The Department have given following information regarding expenses and revenue generated by DMS during last three years:

Year	Expenditure (Rs. in crore)	Receipt (Rs. in crore)
2004-05	185.99	180.60
2005-06	192.50	190.56
2006-07	186.42	161.48

To a query, about the reasons for the losses, the Department has replied that:

“During the year 2004-05, 2005-06 and 2006-07, DMS procured 2.71, 2.82 and 1.92 lakh kg of milk per day, respectively. Against this, during the same period, milk to the tune of 3.32, 3.50 and 2.99 lakh litre per day was sold to the consumers. The difference between the quantity of milk procured and milk sold per day was made up by resorting to regeneration of milk using Skimmed Milk Powder. The regeneration of milk using Skimmed Milk Powder entails an additional expenditure to the extent of Rs.4 to 5 per litre. During the year 2006-07, milk procurement had

declined drastically due to unprecedented flood and draught conditions in the states of Gujarat and Rajasthan. The procurement also declined due to non supply of milk by the Co-operative Societies/non finalization of tenders, owing to disparity in milk procurement prices and various terms and conditions between the States Dairy Federations (SDFS) and Co-operatives Societies.”

CHAPTER V

FISHERIES SECTOR

5.1 The Geographic base of Indian marine fisheries has 8000 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 is a source of livelihood to about 14.48 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.

5.2 Following are the allocations and expenditure for the Fisheries Sector during last five years:

(Rs.in crore)

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
BE	95.00	160.00	174.36	277.00	205.68	215.00
RE	70.24	148.97	166.11	174.02	168.14	-
Actual Expenditure	68.72	150.50	167.79	160.81	144.42 (upto Feb, 2008)	-

5.3 It has been seen that during the year 2007-08 the Budget Estimates of Rs.205.68 crore was reduced to Rs.166.14 crore at the RE stage. When asked the reasons for such drastic reduction of funds at the RE stage, the Department replied as under:

“A provision of Rs.100 crore was kept for the National Fisheries Development Board (NFDB) at Budget Estimate (2007-08). However, the revised estimate for the NFDB was brought down to Rs 50.00 Crore. This was because the NFDB was still in the process of getting fully established with recruitment of required personnel etc. Secondly, the States were not readily forthcoming in the earlier quarters for availing funding under schemes of NFDB due to the stipulation that a part of the profit of the projects financed by the NFDB have to be shared with the NFDB. Further, an amount of Rs.13 crore were surrendered as three vessels planned for the two fishery Institutes could not materialize due to poor response from the bidders.”

When further asked about the reasons for lesser allocation of funds as BE stage during 2007-08 and 2008-09 as compared to BE 2006-07, the Department has informed as follows:

“BE allocation to a large extent depends on the expenditure of the earlier year. As the expenditure in the year 2006-07 was much less than the BE on account of non-utilization of provision of Rs.150.00 crore meant for NFDB (set up in September, 2006), the BE for the ensuing years was reduced. “

5.4 The details of funds provided as subsidies under the three macro-schemes namely 'Development of Marine fisheries, Infrastructure and Post Harvest Operations, National Scheme of Welfare of Fishermen, Training and Extension and Development of Inland Fisheries and Aquaculture for the last three years are as under:

(Rs. in Crore)

S.No.	Component	2004-05	2005-06	2006-07
1	Fishermen Development Rebate on HSD oil	34.11	28.27	15.32
2	Motorisation of Traditional Craft	4.10	2.18	0.54
3	Strengthening of Post Harvest Infrastructure	2.00	4.01	4.70
4	Establishment of fishing harbours and fish landing centres	12.70	21.47	27.22
5	Welfare of Fishermen, Training & Extension	25.54	35.14	26.40
6	Development of Inland Fisheries and Aquaculture	21.11	25.65	20.75
	Total	99.56	116.72	94.93

Centrally Sponsored Scheme

5.5 Following are the financial allocations during 2007-08 and 2008-09 for the under mentioned schemes:-

Scheme	11th Plan	BE 2007- 08	RE 2007-08	Exp upto 29.02. 2008	BE 2008- 09
Development of Inland Fisheries & Aquaculture (including new components)	350.00	9.00	12.03	9.67	12.00
Development of Marine Fisheries & Post Harvest operations (including new components)	300.00	32.00	40.50	36.01	45.00
National Scheme of Welfare of Fisherman, Fisheries Training and Extension (including new components)	180.00	18.38	20.88	20.70	25.00
Total CSS (Fisheries)	830.00	59.38	73.41	66.38	82.00

Central Sector Scheme

5.6 The financial allocations during 2007-08 and 2008-09 in respect of the following Central Sector schemes are as under: -

(Rs. In crore)

S. N.	Scheme	11th Plan	BE 2007- 08	RE 2007- 08	Exp upto 29.02. 2008	BE 2008-09
1	Strengthening of Database & Information Networking for Fisheries	25.00	2.80	2.80	2.30	3.00
2	Assistance to Fisheries Institutes	371.00	43.00	41.93	25.74	55.00
2.1	Central Institute for Fisheries Nautical & Engineering	60.00	11.50	10.30	1.63	
2.2	Central Institute for Coastal Engineering for Fisheries	1.00	0.00	0.00	0.00	
2.3	Integrated Fishery Project	10.00	1.50	1.59	1.19	
2.4	Fishery Survey of India	300.00	30.00	30.04	22.92	
3	National Fisheries Development Board	1550.00	100.50	50.00	50.00	75.00
	Total CS (Fisheries)	1946.00	146.30	94.73	78.04	133.00

Development of Freshwater Aquaculture

5.7 The main objectives of the scheme are to popularize fish farming, creating employment opportunities and diversifying aquaculture practices and providing assistance to fish farmers with a view to creating a cadre of trained and well organized fish farmers fully engaged in aquaculture. In order to boost inland fish production, assistance in the form of subsidy is given to the fish farmers for construction of new ponds, reclamation/renovation of ponds and tanks, first year inputs (seed, fertilizers, manures, etc.), integrated fish farming, running water fish culture, establishment of fish seed hatcheries and fish feed mills, etc. As informed by the Department, the number of beneficiaries under the component of 'Development of Freshwater Aquaculture' during the last three years are:

No. of FFDA	2004-05	2005-06	2006-07
429	41722	30431	34018

5.8 Since inception of the scheme, till 2006-07, about 7.21 lakh hectares water area have been brought under fish culture. The water area brought under fish culture during 2004-05, 2005-06 and 2006-07 was 27209 hectares, 22758 hectares and 22984 hectares respectively.

5.9 On the question of development of inland fisheries, the Secretary during the evidence, submitted:

“Presently, the position is that our production is of the order of 6.8MT and it is envisaged that by the end of 11th Plan we should have the production of about 10 MT. Our focus is in the marine sector on the deep sea and inland fisheries. We have the problem of fishing seeds and feed also. Investment in banks and ponds which we would like to take in many areas, list of these water bodies have not been given to the fishermen, there are number of problem area which we are trying to tackle through

the Fishing Farmers Development Agencies. So our focus is on the development of inland fisheries and aquaculture along with the marine fisheries.”

Development of Deep Sea Fishing

5.10 It has been informed that a fleet of stern trawlers/shrimp trawlers earlier introduced into the deep sea fishing sector of the country is currently under-utilized due to the collapse of shrimp fishery in the known grounds and bottom trawling for fish has become non-remunerative. A sizeable quantity of oceanic tuna and allied species in the EEZ remain practically unexploited. Thus, conversion of these trawlers to mono-filament long lining is considered to be the most appropriate technological intervention to meet the aforesaid dual challenges of under utilization of the existing trawler fleet and of the tuna resources. When enquired about the deployment of vessels for deep sea fishing, conversion of vessels to monofilament long lining etc. the Department has informed:

“Presently there are about 90 vessels deployed for deep sea fishing. A total of 50 deep sea fishing trawlers are proposed to be converted into tuna longliners with a total subsidy outgo of Rs. 750.00 lakh during the 11th Plan. It was informed that during 2007-08 only one assistance was given for one vessel to be converted into tuna long liner.”

5.11 In this connection the Secretary, during evidence informed:

“Andaman Government has submitted a plan for development of fishery in Andaman and Nicobar areas. In Lakshadweep and Nicobar Islands, potential of fishery development is huge. For immediate purposes, we are trying to introduce or promote tuna fishery in the waters of Andaman. We are trying to popularise tuna long line vessels also and we asked the Fishery Survey of India also to explore this area for tuna fisheries.”

Safety of Fishermen at Sea

5.12 The hazardous nature of sea fishing often results in loss of life and fishing boats and implements, besides injury and permanent impairment. Recent studies

have pointed out that calamities occur mostly due to ill-equipped vessels and non-availability of an early warning system on board. Development of Marine Fisheries, Infrastructure and Post-Harvest Operations scheme addresses this issue by equipping the small-mechanized craft by providing a package of position finding and communication equipment. This component envisages installing one Global Positioning System (GPS) and a wireless set on the small-mechanized fishing vessels of below 20meter length. It has been informed that the Department has proposed to provide Back-ended subsidy for about 2000 boats during the 11th Plan. They further added that the willingness of NCDC for implementation of the component on Safety of Fishermen at sea during the Eleventh Five year Plan is to be ascertained.

Tsunami Relief Package

5.13 The Tsunami on 26th December 2004 had a devastating impact in the coastal states of Tamil Nadu, Kerala, Andhra Pradesh and union territories of Pondicherry and Andaman and Nicobar Islands. Since the fishing community resides along the coastal belt due to occupational necessity, they faced the brunt of tsunami to a greater extent. A special package, viz., 'Rajiv Gandhi Rehabilitation Package' covering various tsunami affected areas and envisaging immediate rehabilitation and restoration of fishing activities and means of livelihood to fishermen, was put in place. Out of the total relief package of Rs. 2822.17 crore for the Tsunami affected States / UTs except Andaman & Nicobar Islands, a sum of Rs. 1208.05 crore has been released for fisheries sector comprising of Rs 568.81 crore as subsidy and Rs. 639.24 crore as loan. The subsidy in the fishing sector consists of Rs. 23.21 crore for repair of fishing harbours and Rs. 545.60 crore for repair and replacement of crafts and gear.

5.14 On being asked about funds allocated initially for fisheries under Tsunami Rehabilitation Package (TRP) to each affected State/ UT, the Department as informed as under:

(Rs. in crore)

Tamil Nadu	Andhra Pradesh	Kerala	Pondicherry	A&N Islands	<u>Total</u>
1017.49	35.17	92.05	63.34	15.01	1223.06

However, the package was subsequently revised on the basis of actual requirement by the EGOM. The State/UT-wise revised requirement is as follows:

(Rs. in crore)

<u>State/UT</u>	Revised Requirement	Expenditure as on Dec., 07
Tamil Nadu	322.41	186.95
Kerala	64.85	11.55
Andhra Pradesh	87.60	87.60
Andman & Nicobar	148.41	18.33
Puducherry	108.07	40.88
Total	731.34	345.31

5.15 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: -

S. No.	State	No. of FLCs approved	Total cost of FLCs (Rs. in crores)	Present status
1	Tamil Nadu	10	50.00	Sites have been identified, consultants appointed for conducting necessary investigations for formulation of project related documents and the detailed project report submitted by the consultant are being processed by the Government of Tamil Nadu.
2	Kerala	2	10.00	Two sites have been identified at Chellanam and Arthungal. Necessary investigations, model studies and preparation detailed project reports have been completed. State clearance has been obtained and the proposals submitted to the M/o Environment and Forests for clearance.
3	Andhra Pradesh	4	15.00	Four fish landing centre projects namely Antervedi Pallepalem, Lakshmipuram, Vodalarevu, Gundayapalem at a total cost of Rs.1496.00 have been approved on 31.01.2008 under Tsunami Rehabilitation Package (TRP).
4	Puducherry	1	5.00	Site selection is yet to be completed by Govt. of Puducherry.
5	Andaman & Nicobar Islands	4	20.00	Approval for construction of 4 fish landing centres at Mayabundar, Rangatbay, Yerrata & Durgapur (Diglipur) at a total cost of Rs.1719.11 lakhs has been accorded in March, 2007 under the Tsunami Rehabilitation Package (TRP). The Andaman and Nicobar administration has entrusted the execution works to the Andaman Lakshadweep Harbour Works Department.
	Total	21	100.00	

Fisheries and Livelihood: As regard fisheries and livelihood support, the State/UT wise position is as follows:

Tamil Nadu:

As per the available information 25,380 catamarans, 4,628 vallams, 2,419 mechanical boats, 39,316 nets have been either repaired or replaced so far at an cost of Rs. 151.38 crore. In addition all other work with regard to restoration work of fishing harbour has been completed except work of Pazhayar fishing harbour.

Kerala:

As per the available information all work in respect of 1442 crafts, 143 on board Motors, 6291 Webbing and 1376 Accessories have been completed.

Andhra Pradesh:

4162 traditional boats, 3142 motorised boats, 2575 FRP boats, 319 mechanised boats have been repaired and replaced with and expenditure of Rs. 11.91 crore. All work completed under RGRP.

Puducherry

365 mechanised boats, 93 FRP, 806 FRP catamaran, 1147 OBM catamaran and 5483 catamaran have been replaced and repaired at a cost of Rs. 40.88 Crore. On an average, all work related to Rajeev Gandhi Rehabilitation Package have been completed However, purchase of life jackets for fishermen and establishment of fisheries training institutes and other livelihood project like sea weed culture are under progress.

Andaman and Nicobar Islands

Work in respect of 1990 boats/dinghies, 894 fishing gears, 448 Pisciculturists, 117 Fish venders, 3 crab flattening units and two fisheries cold chain projects have been completed so far. On an average, all work related to Rajeev Gandhi Rehabilitation Package have been completed except 68 cash compensation applications of Nicobar tribes.

PART – II

RECOMMENDATIONS/OBSERVATIONS

Recommendation No. 1

Budgetary Allocation

The Committee note that the Department of Animal Husbandry, Dairying and Fisheries(AHD&F) had formulated the Annual Plan proposals (2008-09) to the tune of Rs. 1891.25 crore. In the Annual Plan discussions, the Planning Commission had indicated an outlay of Rs. 1100.00 crore for this Department but has actually allocated Rs. 1000 crore only for 2008-09. Allocation of resources for the year 2008-09 is only 10.98% more as compared to BE 2007-08. Out of this Rs. 1000 crore of BE for 2008-09, Rs. 160 crore have been allocated for Special Package for suicide prone districts and Rs. 84.00 have been allocated as lump sum amount for North Eastern States and Sikkim. The Committee note that GDP in AHD&F Sector was 6.5 per cent during the Ninth Plan which came down to 5.6 per cent during the Tenth Plan. AHD&F Sector contributes more than 31 per cent to the output of agriculture and contributes more than five per cent to the GDP. But the allocation of this Department in the overall allocation of the Ministry of Agriculture is 7.7 per cent of the total outlay for all the three Departments of the Ministry of Agriculture. In 2008-09, even though this sector contribute more than five per cent, allocation for the Department in the Central Plan outlay is of the order of 0.27 per cent only.

The Committee are not happy with this reduced allocation, even the Secretary, AHD&F also admitted during the evidence that low allocations

are definitely going to adversely effect the implementation of the schemes and growth of this sector. They are of the view that in the country, unlike many other industrial countries, livestock and livelihoods are very closely inter-related and also the ownership of livestock is more egalitarian than of land. It is crop-livestock inter-related production system which is both a way of life and means of livelihood in the country.

Therefore, the Committee desire that there should be a reasonable and liberal approach in making allocations in favour of AHD&F sector because insufficient allocation of funds to such an important sector will slow down the growth rate and lower the pace of implementation of various schemes. The Committee strongly recommend that if the Government are really willing to boost the Animal wealth and improve the lives of rural population, the Planning Commission and Ministry of Finance should provide Rs. 1891.25 crore at RE stage, as proposed by the Department of AHD&F, since many of their new schemes/programmes are suffering due to lack of requisite funding.

Recommendation No. 2

Setting up of Indian Council of Veterinary Research and Education

The Committee strongly feel the need for setting up of an Indian Council of Veterinary Research and Education on the lines of the Indian council of Agriculture Research (ICAR). Livestock and fisheries sectors contribute 5.6% of the total GDP. These sectors play a significant role in supplementing family incomes and provides large scale self-employment in the rural sector, particularly to the landless labourers, small and marginal farmers and women. The Committee in their earlier reports on Demand for Grants also recommended the need for setting up of a separate Indian Council of Veterinary Research and Education for the all round and accelerated development of livestock, poultry and fisheries through focused research, education and services. The Committee have been informed that the issue of creation of a separate Indian Council of Veterinary Research and Education is required to be examined by Department of Agricultural research and Education, which is also under the Ministry of Agriculture and accordingly the matter has been referred to Department of Agricultural Research and Education for examination and appropriate action.

The Committee are of the opinion that such an important sector cannot depend only upon ICAR for veterinary education and research because mandate of ICAR is so wide that it is not able to give required priority and impetus to the research specifically for AHD&F sector. The Committee, therefore, recommend the Government to expedite the process

of setting up of a separate Indian Council of Veterinary Research and Education under the purview of Department of AHD&F. The need for such institution is essential in the present conditions. The Poultry sector is facing problem of Bird flu from a couple of years and this year, this sector has suffered a loss of Rs. 1500 crore over a period of two months only. Climate change and other such major issues which have direct effect on livestock and fisheries, require proper and focused research.

The Committee further recommend that a Livestock Development Council should also be set up under the control of the Department to take care of research in the field and also the welfare and development of livestock.

Recommendation No. 3

New Schemes

The Committee are constrained to note that there are inordinate delays in conceptualisation and final implementation of the various schemes. The Committee have been informed that nine Schemes of the Department of Animal Husbandry, Dairying and Fisheries are pending at various stages of approval. The Committee note that many new schemes are proposed in the new Plan and thereafter, either the schemes are dropped or start at later phase of the Plan. Further, the States are also involved in these schemes with the perception, that the target set will be achieved if the State utilise the allocated the amount.

The Department while clarifying the reasons as why the implementation of the schemes has been delayed, informed that it is due to discussions held in the Planning Commission or prioritisation of various schemes are fixed on the basis of resource availability and if Plan allocations are not available then the schemes have to be dropped. There are many such schemes like Poultry Development, Project for Slaughter Houses and CU Plants, Livestock Extension and Delivery Services, etc. which have not started yet and for these schemes either the token amount was allocated or no allocations were made during 2007-08. This year also, either no outlay has been provided to some of the schemes, or schemes are under consideration of the evaluating agency or generally it is stated that an EFC memo for the scheme has been prepared or in pipeline.

The Committee observe that since sometimes appraisal agencies also take long time to submit their comments, a definite time frame should be given to them, failing which it should be deemed that they don't have anything to comment and further, process should continue.

The Committee desire that the Department should concentrate more on the proper formulation of the schemes at conceptualising stage before sending the scheme to the Planning Commission. The Committee urge upon the Planning Commission to have a detailed scrutiny and send any suggestion/clarification for modification or otherwise before granting 'in principle' approval so as to avoid wastage of time in redrafting memos and project reports again and again which result in inordinate delays in implementing the schemes for the welfare of farmers.

Recommendation No. 4

Bird Flu

The Committee, with great concern, have noted that Avian Influenza once again broke-out in thirteen Districts covering 49 blocks and 2 municipalities of West Bengal and has affected 8% of the geographical area and 6% of the poultry population of the State. According to WHO it is the country's most serious outbreak of bird flu. The bird flu has shaken not only the poultry industry which provides income to almost 50% of landless labourers but also the confidence of the consumers.

According to the Ministry the poultry industry has suffered loss of Rs. 1500 crore over a period of two months due to the current episode of Avian Influenza in West Bengal. As many as 40.32 lakh poultry birds have been culled in West Bengal. Further, 14.91 lakh eggs and over 80,000 kg. feed material have also been destroyed in these operations.

The Committee have been informed that the reason for occurrence of bird flu could be one of following (i) bird to bird contact in border areas; (ii) smuggling of infected birds. (iii) carrying of virus from wild and migratory birds. It has also been informed by the Department that presence of backyard poultry in West Bengal is a major cause for outbreak of bird flu as no bio-safety procedures are followed in backyard poultry system.

The Committee feel that effective measures have not been taken to stop smuggling of birds and desire that the Department should coordinate with other Governmental agencies in the matter. The Committee recommend that Government should develop a strategy for small scale

poultry farming and have a policy to treat poultry as an agricultural activity rather than purely an industrial activity. The public policy for poultry ought to be framed. The Government must also formulate effective policy for the import of poultry and its products. The Committee are of the view that Bio-security should be looked at as a total concept. The Government should develop a strong agricultural bio-security system, covering micro-organisms, plants, animals, fish, etc. in an integrated way. Further more, a strong regional surveillance and early warning systems, with the help of FAO should be developed particularly in SAARC and other neighbouring Countries.

The Committee further recommend that the Government should expedite the setting up of 23 Bio-Security Level-II (BSL-II), 6 BSL-III and one BSL-IV laboratories for testing of samples for Avian Influenza, so that the problems like bird flu could be tackled more effectively in the future.

Recommendation No. 5

Feed and Fodder

The Committee note that due to increasing pressure on land for growing food grains, oil seeds, and pulses, the land to grow fodder and feed crops is decreasing. The Government have allocated Rs. 10.00 crore only in the Budget Estimate 2008-09 for 'Project for Feed and Fodder'. As per Ministry's own admission, there is a huge shortage of fodder. The Committee feel that allocated sum is not sufficient enough for such an essential programme, therefore, the Government should increase fund allocation for this scheme at RE stage.

The Committee are of the view that the nutritive value of feed and fodder has a significant bearing on the productivity of livestock. If proper feeding is provided to existing breeds, milk production can be enhanced. The country has very rich varieties of fodder grasses (both annual and perennial), barseem, lusern, alphalpa, etc. which are disappearing for want of pasture land.

The Committee desire that fodder and feed banks should be established in vulnerable areas. The Committee further recommend that the Government should encourage programmes of Self Help Groups (SHG) and the National Rural Employment Guarantee scheme (NREG) for fodder development. They also desire that some land in the State farms should be given to women SHGs on long term lease for feed and fodder production.

Recommendation No.6

Conservation of Threatened Breeds

The Committee note that the programme for 'Conservation of Threatened Livestock Breed,' is not being implemented efficiently as the allocation made in 2008-09 is only Rs. 1.90 crore. Most of the native breeds are disappearing due to less attention and care taken by the State Governments. For example, cattle like Nellore, Ongole and Kangeyam in Andhra Pradesh and Tamilnadu and Rathi in Rajasthan, most of them are dwindling now largely owing to holistic approach of the Government. Pashmina goats in Ladakh are dying in winter due to lack of feed and fodder. Yak and Mithone are also disappearing for want of food. Like wise 'Bhadavari' Buffalo whose milk contains a very high percentage of fat, is also disappearing slowly. Even a special Farm House for Bhadavari was built in the Uttar Pradesh but that is not functioning properly.

The Committee recommend that urgent steps should be taken to conserve these threatened native breeds. The Central Government should take initiatives suo moto for the cause rather than waiting for the demand from the State Governments. The Committee further feel that the amount of Rs. 1.90 crore allocated for the scheme during 2008-09 is not sufficient enough, therefore, more funds should be allotted at RE stage so that these endangered breeds could be saved.

Recommendation No. 7

Milk productivity

The Committee note that India's milk output during the year 2006-07 reached the level of 100.9 million tonnes (provisional) and was estimated to reach 102 million tonnes in 2007-08. This has not only placed the country on top in the world, but also represents sustained growth in the availability of milk and milk products for the burgeoning population of the country. The Committee find that despite a very large population of cattle in the country, the productivity is very low. It is about 1200 litres per animal, which is about half of the world average, of 2300 litres. The productivity in the country is about 10 per cent of the productivity in Israel, which is almost 12000 litres per animal. The reasons for this low productivity are the poor quality of delivery of artificial insemination, low success rate and quality of semen not up to the mark. It has also been noticed that in some places artificial insemination has adverse impact on the indigenous good quality germplasm. The lack of feed and fodder and low productive breeds in India are also responsible for poor productivity.

The Committee note that there are many indigenous breeds of cows and buffaloes like Sahewal, Murrah, Bhadavari, Tharparkar, Nagauri, etc., which not only give higher productivity but are also adapted to different agro-climatic zones. In context of climate change, indigenous breeds have better survival rate. Therefore, the Committee recommend that special programmes should be launched to encourage the breeding/insemination

of indigenous variety of cattle, so that the production of milk could be increased which will eventually solve the problem of synthetic milk also.

Recommendation No. 8

Modern Slaughter Houses

The Committee note that a new Project of slaughter houses and CU Plants has been introduced with a token provision of Rs.1 lakh during 2008-09. It has been informed that EFC memo for the project is under preparation. The Committee desire that wherever rural slaughter houses are being developed Gram Sabhas or Panchayati Raj Institutions should be involved. The Committee have noticed that in some places the residuals lying near the slaughter houses are badly affecting the area and ground water. Therefore, they desire that proper arrangement should be made to dispose off the waste and residuals hygienically.

The Committee further recommend that in view of increasing demand of quality leather, special care for animal skin should be taken in the slaughter houses. Moreover, livestock extension programmes should emphasize to educate farmers and workers to save the skin so as to have better quality of leather. The Committee recommend that a small group consisting representatives from Central Leather Research Institute, State Level Research institutes; ICAR, Ministry of Food Processing Industries and Department of AHD&F should be formed to take care of livestock and its by-products, as modern slaughter houses are important for safe and hygienic slaughtering of animals and proper use of animal by-products.

Recommendation No. 9

Budgetary Allocations to Dairy sector

The Committee have been informed that 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 co-operative infrastructure, revitalisation of sick dairy co-operative federations and creation of infrastructure in the States for production of quality milk and milk products. For pursuing these objectives, the Department is implementing four schemes in the dairy sector, including a new central sector scheme Dairy/Poultry Venture Capital Fund. Besides this, the National Dairy Development Board (NDDB) is responsible for the overall development of Dairy Sector in Operation Flood areas.

The Committee note that despite 'Dairy' being an important sector, the Budget Estimate for 2008-09 is only Rs. 98.00 crore, as compared to Rs. 109.25 crore in the Revised Estimate of 2007-08, though the Department has asked for Rs. 133.70 crore. The Committee have been further informed that assistance to sick dairy co-operatives has been reduced to Rs. 7.00 crore due to inadequate outlay for the entire Department. The Committee, therefore, desire that funds allocation to Dairy sector may be enhanced at RE stage so that this vital sector could continue to steadily perform and the dairy cooperatives are saved from falling sick.

Recommendation No. 10

Preservation of Milk

The Committee express serious concern over the issue of climate change which will very badly affect the Dairy Sector. Milk require special preservation technology. The Committee are afraid that with the passage of time, refrigerator, air-conditioner and cold storage technology, which are highly productive of green house gases, will no longer remain suitable for preservation of milk. Therefore, there is an urgent need to have a new technology/system for ensuring preservation of milk, otherwise, with chemical and conventional technologies it will be very difficult to preserve the milk and rather more difficult to preserve its by-products. The Committee, therefore, suggest the Government to start working in this direction immediately so as to avoid the sudden crisis that may come whereby the country may slip from No. 1 position in production of milk to a situation where the adequate quantity of milk will not be available even for the children.

Recommendation No. 11

Delhi Milk Scheme

The Committee has noticed that Delhi has a huge population and presently more than 45 lakh litres of milk per day is being sold in Delhi. But Delhi Milk Scheme (DMS) which is under the Department of AHD&F, was in a position to procure milk to the tune of 2.80 lakh kgs. per day approximately during 2007-08. The Committee have been informed that expenses of DMS for the year 2004-05, 2005-06, and 2006-07 were Rs. 185.99 crore, Rs. 192.50 crore and Rs. 186.42 crore, respectively and revenue generated by DMS for the same years were Rs. 180.60 crore, Rs. 190.56 crore and Rs. 161.48 crore respectively. This shows that DMS is continuously making losses. Further, DMS is unable to increase its share into the market. Many other dairies like 'Amul' and 'Mother Dairy' are having a big share of market. Even Amul milk products are demanded in other countries also. The Committee note that one of the problem areas is that 'DMS' depot or booths are around 40 years old and not renovated, so it works against the principle of good marketing.

The Committee strongly recommend that DMS booths should be renovated and made commercially viable for which special funds should be allocated under Capital section. The Committee desire the Government to ensure that DMS should adopt professional approach in marketing, transportation and plant operations. The Committee have been further informed that in pursuance of the decision of the Union Cabinet on Corporatisation of Delhi Milk Scheme to make it commercially viable, the

Department have called for the 'Expression of Interest' from reputed agencies. The Committee impress upon the Government to expeditiously chalk out a time bound plan for Corporatisation of DMS, so that it could come out of losses and meet the requirements of Delhi.

Recommendation No. 12

Allocations to Fisheries Sector

The Committee have been informed that Fisheries sector provides livelihood to about 14.48 million people. 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 millions tonnes from marine fisheries.

The Committee note that funds allocations at BE stages for the last five years were reduced drastically at RE stages. The Committee have been informed that the reduction in fund allocation from Rs. 100.00 crore BE to Rs. 50.00 crore at RE stage is due to under-utilisation of funds for the National Fisheries Development Board (NFDB), which was in the process of getting fully established. Secondly, the States were not forth coming to avail funds under the schemes of NFDB. Further, an amount of Rs. 13 crore were surrendered as Department could not purchase three vessels planned for two fisheries institutes due to poor response from bidders.

The Committee are unhappy with the continuous trend of reduction of fund allocation at RE stages for all these years. The Committee desire that now NFDB has since been fully established, it should familiarise the State Governments about its various programmes, so that they could timely avail funds for various schemes. The Department should take appropriate steps to attract the potential ship building yards to take

interest in Department's projects and remove the bottlenecks in getting responses from bidders to enable the fisheries sector to utilize full allocations.

The Committee further desire that taking cognizance of inevitable sea-level rise due to global warming, National Fisheries Development Board should conduct research and prepare an action plan to minimise its adverse impact on lives and livelihood of fisher/coastal communities.

Recommendation No. 13

Development of Freshwater (inland) Fisheries

The Committee have been informed that the scheme for Development of Freshwater Aquaculture has been launched with the objectives to popularize fish farming, creating employment opportunities, diversifying aquaculture practices and providing assistance to fish farmers with a view to creating trained and well organized fish farmers fully engaged in aquaculture. For 2008-09, Rs. 12.00 crore have been allocated under the scheme to be given in the form of subsidy to the fish farmers. Till 2007-08, about 7.21 lakh hectares water area have been brought under fish culture. The Department has informed that the average production is only about 2.2 tonnes per hectare per annum as there are various handicaps like the poor conditions of banks and ponds, problem of fishing seeds and feed etc.

It has come to the notice of the Committee that there is a great demand for air-breathing fish abroad. The Committee are of the view that air-breathing fish like Marigold having medicinal properties, which grow under more difficult conditions, should be paid attention. The Committee desire the Department to give power and economy of scale to small fishermen by way of developing aquaculture estates or Farmers' Fisheries estates so that production could be enhanced. Since there is tremendous potential for inland fisheries in the reservoirs, tanks, ponds, canals etc.,

the Committee recommend that proper infrastructure should be created for the development of inland fisheries.

Recommendation No. 14

Deep Sea Fishing

The Committee note that a sizeable quantity of oceanic tuna and allied species in the Exclusive Economic Zone remain practically unexploited due to inability of earlier introduced stern trawlers/shrimp trawlers. Therefore, conversion of these trawlers to mono-filament long lining is considered technological intervention, to meet the challenges of under-utilization of the existing trawler fleet and of the tuna resources. The Committee have been informed that there are about 90 vessels deployed for deep sea fishing. Further, 50 deep sea fishing trawlers are proposed to be converted into tuna long liners with a total subsidy outgo of Rs. 750.00 lakh during the 11th Plan.

The Committee further note that the financial requirement for conversion of a single trawler to tuna long liner is about Rs. 40.00 lakh. The Committee fail to understand as to when the subsidy of 50 per cent of the cost is to be given, why it is limited to Rs. 15.00 lakh instead of Rs. 20.00 lakh per trawler. The Committee, therefore, recommend that the total subsidy for conversion of 50 deep sea fishing trawlers should be enhanced to Rs. 10.00 crore instead of Rs. 750.00 lakh. Moreover, on Public Private Partnership model, the National Fisheries Development Board should develop a strategy for more efficient use of EEZ, both for fisheries and other purposes. This will not only help in proper exploitation of natural resources in deep sea but also improve the livelihood conditions of fishermen as well as promote exports.

Recommendation No. 15

Safety of fishermen at Sea

The Committee note that the hazardous nature of sea fishing often results in loss of lives and fishing boats and implements, besides injury and permanent impairment. Again during on-the-spot visit of the Committee to Andaman and Nicobar Islands it was brought to the notice that unknowingly fishermen enter into Exclusive Economic Zone of other countries and often arrested or assaulted by the other countries. The Department informed that under, 'Development of Marine Fisheries, Infrastructure and Post Harvest Operations scheme', small mechanized boats, which are below 20 metre length are provided with one Global Positioning System (GPS) and a wireless set for position finding and communication respectively. For this purpose a back-ended subsidy of 20 per cent, not exceeding Rs. 30,000 is provided.

The Committee recommend that back-ended subsidy should be increased so that fishermen could have supportive efficient items. Further fishermen should be provided with a cell phone, which can give them data on wave heights, fish shoals, location of fish etc. GPS data can be fed with Internet cell phone synergy. This could be worked out with the help of the Department of Information Technology, which is putting up 100,000 common service centres. This process will help fishermen to find out their position, reduce their work and also help them during natural calamity.

The Committee further recommend that special steps should be taken for safety and welfare of fishermen in Andaman and Nicobar Islands as they are living in difficult conditions and have not come out of Tsunami aftermath.

NEW DELHI;
11 April, 2008
22 Chaitra, 1930 (Saka)

PROF. RAM GOPAL YADAV
Chairman,
Standing Committee on Agriculture

Appendix-I

MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON MONDAY, THE 31st MARCH, 2008 AT 1100 HRS. IN COMMITTEE ROOM NO. 'B', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1415 hrs.

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERS

LOK SABHA

2. Shri Manoranjan Bhakta
3. Shri Deepender Singh Hooda
4. Smt. Kalpana Ramesh Narhire
5. Shri Mahendra Prasad Nishad
6. Shri Prabodh Panda
7. Shri Danve Raosaheb Patil
8. Shri K.J.S.P. Reddy
9. Shri Baleshwar Yadav

RAJYA SABHA

10. Shri Harish Rawat
11. Shri Vikram Verma
12. Shri Vinay Katiyar
13. Shri Sk. Khabir Uddin Ahmed
14. Shri Sharad Anantrao Joshi
15. Shri M.Rajasekara Murthy
16. Shri M.S.Swaminathan

SECRETARIAT

- | | | | |
|----|-------------------|---|------------------|
| 1. | Shri A.K.Singh | - | Joint Secretary |
| 2. | Smt. Veena Sharma | - | Director |
| 3. | Shri Raj Kumar | - | Deputy Secretary |
| 4. | Shri N.S.Hooda | - | Deputy Secretary |
| 5. | Ms. Amita Walia | - | Under Secretary |

WITNESSES

S.No.	Name	Designation
1.	Dr. Pradeep Kumar	Secretary (ADF)
2.	Shri P.P. Mathur	AS&FA
3.	Shri S.K. Bandyopadhyay	AHC
4.	Shri Arvind Kaushal	JS(P&F)
5.	Ms S. Rawla	JS(C&LH)
6.	Smt. Upma Chawdhry	JS(A&DD)
7.	Shri O.P. Mishra	Adviser (Statistics)
8.	Dr. S. Ayyanppan	CEO (National Fisheries Development Board)
9.	Shri D. Tikkoo	Managing Director (NDDB)
10.	Dr. Anup Bhaumik	Secretary (Veterinary Council of India)
11.	Dr. P. Ravichandran	Member-Secretary (CAAI)
12.	Dr. M.K.R Nair,	Fisheries Development Commissioner
13.	Dr. V.S. Somvanshi	DG, FSI
14.	Shri Ashok Bansal	General Manager (DMS)

At the outset, the Hon'ble Chairman, Standing Committee on Agriculture, 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 (2008-2009) 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, DAHD&F to introduce his colleagues.

2. After introduction of the officials, the Secretary gave a brief overview of the budgetary allocation for the year 2008-2009 and also highlighted the activities/achievements made by the Department during the year.

3. The Chairman and Members of the Committee raised several queries regarding Animal Husbandry, Dairying and Fisheries sectors, Budget Estimate for 2008-2009,

Tsunami Relief Package, relief package to Suicide-prone Districts, research, laboratories, veterinary services, inadequate infrastructure, bird flu and other animal diseases, the effect of global warming, setting up of Indian Council of Veterinary Research and Education, slaughter houses for animals, development of fisheries, Milk Co-operatives, Delhi Milk Scheme, etc. The representatives of the Ministry replied to some of the queries and assured to send replies to the remaining queries which could not be answered during the sitting.

4. A copy of the verbatim proceedings has been kept.

The Committee then adjourned.

APPENDIX – II

MINUTES OF THE ELEVENTH SITTING OF THE STANDING COMMITTEE ON AGRICULTURE HELD ON FRIDAY, THE 11TH APRIL, 2008 AT 1100 HRS. IN COMMITTEE ROOM NO. 'C', GROUND FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1100 hrs. to 1325 hrs.

PRESENT

Prof. Ram Gopal Yadav – Chairman

MEMBERS

LOK SABHA

2. Shri Ranen Barman
3. Shri Anil Basu
4. Shri Girdhari Lal Bhargava
5. Shri Khagen Das
6. Shri Deepender Singh Hooda
7. Shri Prabodh Panda
8. Shri Danve Raosaheb Patil
9. Smt. Rupatai D. Patil Nilngekar

RAJYA SABHA

10. Shri Harish Rawat
11. Smt. Mohsina Kidwai
12. Shri Vikram Verma
13. Shri Vinay Katiyar
14. Shri Sharad Anantrao Jushi
15. Shri M. Rajasekara Murthy
16. Prof. M.S. Swaminathan

SECRETARIAT

- | | | | |
|----|-----------------|---|------------------|
| 1. | Shri A.K.Singh | - | Joint Secretary |
| 2. | Shri Raj Kumar | - | Deputy Secretary |
| 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 (2008-09) 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 some 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 (2008-09) 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

