

3.7 Special Live Stock Breeding Programme

3.7.1 Introduction

Special Live Stock Breeding Programme (SLBP) a state sponsored scheme started during 1976 was transferred by the Government initially to the District Panchayats (DPs) and later during 2001-02 to the Grama Panchayats (GPs) and Urban Local Bodies (ULBs). The primary objective of the scheme was to reduce the productive age of cross bred calves to two years and increase milk production in the State by providing good quality feeds, medicines, vaccination and insurance cover at subsidised rates to calves between the age of four to 32 months. The subsidy admissible was 50 per cent of the expenditure for a maximum period of 28 months or up to the first calving whichever was earlier subject to a maximum of Rs.6500 per calf which was to be borne by the department and LSGIs equally. Those intending to avail these benefits were to submit applications to the field level implementing officer either through the LSGI or through milk societies. The beneficiaries were selected by the Grama sabha after scrutiny of such applications. A review on the implementation of SLBP during 2002-03 to 2006-07 was conducted during October 2007. Three districts^{†††} out of 14 were selected for the review. Records of six GPs^{†††}, two municipalities^{§§§}, the offices of Animal Husbandry Department at the district and field levels in the selected districts and the office of the Additional Director (SLBP) were test checked.

Audit Findings

3.7.2 Enrolment of calves

During the period from 2002-03 to 2006-07 the physical target fixed by the Government was 86000 calves against which the calves enrolled were 82146 as detailed below.

Year	Target	Enrolled	Shortage
2002-03	10000	8429	1571
2003-04	17000	15254	1746
2004-05	17000	17235	(-) 235
2005-06	21000	20228	772
2006-07	21000	21000	---
Total	86000	82146	3854

However, in three out of eight LSGIs test checked, no calf was enrolled during the years noted against each as shown below.

^{†††} Ernakulam, Palakkad and Thiruvananthapuram

^{†††} Keezhumadu, Mulamthuruthy (Ernakulam), Akathethara, Malampuzha (Palakkad) Kazhakkutom and Parassala (Thiruvananthapuram)

^{§§§} Angamali and North Parur (Ernakulam)

Three out of eight LSGIs test checked did not enroll calves.

Sl No	LSGI	Target	Enrolled	Year
1	Anad GP	40	0	2006-07
2	Municipal Corporation of Kochi	50	0	2004-05
3	Muvattupuzha Municipality	30	0	2006-07
	Total	120	0	

As there was no milk producers co-operative societies through which inputs were provided to the beneficiaries in the urban area of Kochi and Muvattupuzha, no enrolment was possible there.

3.7.3 Funding

The funds required for meeting Government share were provided in the State Budget. The LSGIs transferred their share to the state Animal Husbandry Department which implemented the scheme by arranging all inputs envisaged in the scheme.

3.7.3.1 Budget provision and expenditure

The funds provided in the State Budgets and the expenditure incurred by the Government were as follows:

(Rs in crore)

Year	Budget Provision	Expenditure
2002-03	5.84	4.16
2003-04	6.24	4.32
2004-05	5.64	5.19
2005-06	10.95	10.81
2006-07	7.00	6.99
Total	35.67	31.47

Out of Rs.35.67crore provided in the State Budget, the amount utilised was Rs.31.47 crore which was 88.23 per cent.

3.7.3.2 Excess funds released by the LSGIs and Government

The cost of feeds and other inputs involved was Rs.13000 for each calf, of which Rs.6500 was to be borne by the beneficiary whereas the Government and the LSGI was to meet Rs.3250 each towards subsidy. Thus the amount to be provided by the LSGIs as well as by the Government was only Rs.26.70 crore each against which the LSGIs and Government released Rs.33.87 crore and Rs.31.47 crore respectively as detailed below.

(Rs in crore)

Year	No of calves enrolled	Amount to be released by LSGIs and Government each	Amount released by		Excess release by		Total
			LSGIs	Govt	LSGIs	Govt	
2002-03	8429	2.74	4.96	4.16	2.22	1.42	3.64
2003-04	15254	4.96	4.74	4.32	(-) 0.22	(-) 0.64	(-) 0.86
2004-05	17235	5.60	6.25	5.19	0.65	(-) 0.41	0.24
2005-06	20228	6.58	8.87	10.81	2.29	4.23	6.52
2006-07	21000	6.82	9.05	6.99	2.23	0.17	2.40
Total	82146	26.70	33.87	31.47	7.17	4.77	11.94

LSGIs and Govt. released 11.94 crore to the implementing officers in excess of actual requirement.

Thus the LSGIs and the Government released Rs.7.17 crore and Rs.4.77 crore respectively in excess of actual requirement. This amount was retained by the District Level Implementing Officers (DLIOs) in their bank accounts. Drawal of plan funds in excess of actual requirement by the LSGIs and the Government was irregular.

3.7.3.3 Unnecessary retention of funds

Out of Rs.11.94 crore released in excess, Rs.1.17 crore was refunded and the balance retained.

Out of Rs.65.34 crore available during 2002-03 to 2006-07 with the District Level Implementing Officer (DLIOs), the amount utilised for implementation of the scheme was Rs.40.71 crore. Of the balance amount, Government share amounting to Rs.1.17 crore was refunded to Government account during March 2007 by the DLIOs leaving an unspent balance of Rs.23.46 crore at the end of 2006-07. The SLIO stated (December 2007) that an amount of Rs.13.28 crore was required to provide inputs in respect of calves already enrolled during 2004-05 to 2006-07. Thus Rs.10.18 crore out of the unspent balance of Rs.23.46 crore was not required for any purpose. In fact, there should have been at least a balance of Rs.10.77 crore (Rs.11.94 crore – Rs.1.17 crore) due to excess release of funds by the LSGIs and Government to the Department as mentioned in paragraph 3.7.3.2. The resultant shortage of funds worked to Rs.59 lakh. As a result of non-reconciliation of the accounts maintained by DLIO exact reasons for the discrepancy could not be ascertained in audit.

3.7.4 Implementation of the scheme

Starting of feed supply was delayed by two to four months.

Veterinary Surgeon was the Field Level Implementing Officer (FLIO) and at district level, the Deputy Director/Assistant Director was the Implementing Officer (DLIO). The DLIO was to arrange insurance and supply of feeds, medicines and vaccines, whereas FLIO was to monitor and keep the records of calves enrolled and feeds supplied. The quantity of feeds given under the scheme varied from 30 to 75 Kilogram per month depending on the age of calf. The feeds were supplied through milk producers' co-operative societies after collecting the beneficiary share of 50 per cent. The beneficiary share collected by the societies and the share of LSGIs were then passed on to DLIO which were utilised along with Government share for payment of cost of feeds and other inputs. The feed supply to the calves was to be started at the age of four to six months. However, it was seen in audit that the starting of feed supply was delayed by two to four months in the following LSGIs during 2005-06.

Sl No	LSGI	No of calves enrolled	No of calves which got feed supply belatedly at the age of (months)				Percentage
			Eight	Nine	Ten	Total	
1	Kavalasseri GP	50	36	3	---	39	78
2	Anakkara GP	50	1	36	1	38	76
3	Nagalasseri GP	50	12	2	36	50	100
4	North Parur Municipality	50	20	4	---	24	48
5	Angamali Municipality	50	9	2	---	11	22
	Total	250	78	47	37	162	64.8

In the above LSGIs, feeds to 64.80 per cent calves enrolled during 2005-06 were supplied late denying good quality feeds at the early age which affected their health and milk production as mentioned in para 3.7.7.

3.7.5 High rate of dropouts

3.7.5.1 According to the guidelines, beneficiaries would be removed from the scheme on any of the following grounds.

The drop out rate was as high as 25 per cent.

- If the calf does not conceive till 26th month of age
- On calving
- On attaining age of 32 months
- On the subsidy amount reaching the maximum of Rs.6500
- If the beneficiary does not collect the feed continuously for three months

The number of dropouts, i.e., beneficiaries who did not turn out to collect the feed was very high in selected GPs as shown in the table below.

Sl No	District	Calves enrolled during 2001-02 to 2004-05	Dropouts	Percentage
1	Thiruvananthapuram	903	214	23.70
2	Palakkad	365	91	24.93
3	Ernakulam	473	53	11.21

The high rate of drop outs was attributed by FLIOs (October 2007) to the fact that the beneficiaries were not able to cope with the increase in the cost of feeds due to price escalation and increase in expenditure due to increase in quantity of feeds in proportion to the increase in age.

3.7.5.2 Removal of calves from the rolls showed an increasing trend in the past few years. The subsidy of Rs.6500 was fixed based on the prices of feeds prevailed in January 2001. Due to increase in price of feeds from Rs.6650 per MT during 2001 to Rs.7900 per MT during 2007 the quantity of feeds that could be supplied with the available amount decreased in inverse proportion to increase in price. In Parassala circle in Thiruvananthapuram, the percentage of such removal increased from 24 to 45 as shown below.

Due to increase in price of feeds, calves were removed from the scheme before attaining the age of 32 months.

Year of enrolment	No of calves enrolled	Removal from rolls due to reaching maximum subsidy	Percentage
2002-03	100	24	24.00
2003-04	195	77	39.49
2004-05	100	45	45.00

The calves were removed at the age of 29 months during 2003-04 and during 2004-05 even at the age of 28 months. Non-revision of subsidy rates in synchronisation with the increase in price rates of feeds resulted in non-supply of feeds to the calves especially at a time when it was most required. This affected the achievement of objectives of the scheme.

3.7.6 Calving age could not be reduced

The percentage of calving within 32 months was only 27.72 per cent.

The primary objective of the scheme was to reduce the calving age to 32 months at the least and thereby increase milk production. However, a test check of records of selected GPs revealed that the calving age of calves could be reduced to 32 months or below only in respect of 27.72 per cent of calves enrolled in selected districts as shown below:

Sl No	District	No of LSGIs test checked	Period of enrolment	No of calves enrolled	No of calving within 32 months	Percentage
1	Palakkad	9	2002-03 and 2003-04	495	12	2.42
2	Ernakulam	4	2001-02 to 2004-05	473	134	28.33
3	Thiruvananthapuram	12	2001-02 to 2004-05	623	295	47.35
	Total	25		1591	441	27.72

At state level, the calving rate within 32 months was only 49.25 per cent as disclosed in a review meeting held by SLIO on 21 June 2006.

3.7.7 Decrease in milk production

In spite of implementation of schemes for increasing the milk production of cross bred cows in the state, the milk production in the state decreased from 25.38 lakh MT during 2001-02 to 19.48 lakh MT during 2005-06 as shown below:

Year	Number of cows (lakh)	Milk production of cows in the state (MT in lakh)
2001-02	21.22*	25.38
2002-03	21.22	22.65
2003-04	21.22	19.92
2004-05	21.22	19.12
2005-06	21.22	19.48

3.7.8 Monitoring and internal control

Efficient internal control system ensures smooth functioning of an organisation. For better delivery of services, periodical review and monitoring of activities were to be carried out. Monitoring and internal control failures are discussed below:-

* Figures as per last live stock census conducted during 2003. As Live Stock census is conducted only once in five years, same figure was adopted for all years.

3.7.8.1 Defective monitoring by LSGIs

The DLIO was to furnish utilisation certificate indicating amount utilised and the physical achievement to the concerned LSGIs at regular intervals. The monitoring committees of the LSGIs constituted for monitoring the implementation of various projects was to monitor progress of implementation of the scheme. As the DLIOs did not furnish the utilisation certificate, the LSGIs test checked could not monitor the implementation of the scheme.

3.7.8.2 Insufficient monitoring at District level

The data relating to the beneficiaries and calves enrolled, feed distribution, age of puberty, date of artificial insemination, date of calving, etc., were to be kept by DLIO for periodical verification of the progress of implementation of the scheme. However, no such data was kept in the district level offices test checked disabling the DLIOs to rectify the defects/shortfall in the implementation.

3.7.8.3 Monitoring at the State Level

The SLIO is assisted by a Joint Director and two Deputy Directors at the Headquarters. Each Deputy Director was to supervise the activities of seven districts and was to conduct detailed inspection of one district every month and surprise inspection of FLIOs and the Societies. However, inspections conducted by the SLIO were much less than that prescribed under the scheme as seen from the table below.

Year	Prescribed number of inspections	No of district wise inspections conducted	Shortfall
2002	24	10	14
2003	24	13	11
2004	24	4	20
2005	24	Nil	24
2006	24	16	8
2007	24	6	18
Total	144	49	95

As seen from the above details 66 *per cent* of prescribed inspections were not conducted by the SLIO leading to improper implementation of the scheme.

3.7.9 Conclusion

Review of the Special Live Stock Breeding Programme revealed that funds released by Government and LSGIs exceeded the actual requirement with reference to the actual number of calves enrolled. Animal Husbandry Department did not refund the resultant excess amount to the LSGIs. Feeds and other inputs could not be provided for periods as envisaged due to increase in cost. The dropout rate of beneficiaries was high and the objective of reducing calving age could not be achieved.

3.7.10 Recommendations

- In order to retain/increase levels of enrolment, Government should consider increasing the subsidy keeping pace with the increase in price of feeds.
- Government should conduct an investigation to find out the reasons for the productive age of calves not being reduced.
- The scheme should be revamped to ensure that feeds and other inputs are provided at prescribed quantity for periods as envisaged.
- Government and LSGIs should ensure that funds released do not exceed the amount required as per enrolment.
- The Animal Husbandry Department should refund to the LSGIs the excess amount retained by it.