

**Shri Indrajit Gupta:** I would like to know whether as a result of the study carried out in these foreign ports by our experts the Government has been able to make any assessment of the expenditure which is likely to be involved on the installation of this model plant and whether this plant will have to be imported or it can be manufactured indigenously?

**Shri Raj Bahadur:** I only said that we are in the process of installing a plant at Visakhapatnam. We want to make it as efficient as possible within our financial resources and foreign-exchange resources. The scheme under implementation is estimated to cost about Rs. 2 crores. I think the plant will be put into operation by about April or May.

**Shri Indrajit Gupta:** I wanted to know whether the plant will have to be imported or it can be manufactured here?

**Shri Raj Bahadur:** Much of the mechanised equipment will be imported.

**Shri P. R. Chakraverti:** As a result of the survey of different ports may I know which type of mechanism and of which port has appealed to the Government—the working of which is readily acceptable to us?

**Shri Raj Bahadur:** They have prepared technical notes. About the types and other things it is not possible for me to say anything. They have to make up their mind after proper study as to what improvements, changes and modifications if any they would like to make in the equipment already under installation.

#### Concessions to Sugar Industry

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{ **Shri P. C. Borooah:**  
**Shrimati Savitri Nigam:**  
**Shri R. G. Dubey:**  
**Shri Bade:**  
**Shri Onkar Lal Berwa:**  
**Shri P. H. Bheel:**  
**Shri Hukam Chand Kach-**  
**havalya:**  
**Dr. P. Srinivasan:**  
**Shri Paramasivan:**

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{ **Shri Heda:**  
**Shri Bibhuti Mishra:**  
**Shri D. N. Tiwary:**  
**Shri Maheshwar Naik:**  
**Shri Himatsingka:**  
**Shri Rameshwar Tantia:**

Will the Minister of **Food and Agriculture** be pleased to state:

(a) whether with a view to improving the competitive power of the sugar industry against gur and khandsari units, Government have decided to give some new concessions to the sugar industry;

(b) if so, the precise nature; and extent of such concessions; and

(c) how far the target of sugar production for the current year is likely to be achieved thereby?

**The Deputy Minister in the Ministry of Food and Agriculture (Shri D. R. Chavan):** (a) and (b). Government have given the following incentives to the sugar industry:

1. A rebate of 50 per cent in basic excise duty has been allowed on the production of sugar during the period October-November, 1964 which is in excess of sugar produced by the factories during the corresponding period in 1962.

2. A rebate in basic excise duty has been allowed on production of sugar in the months of January to June, 1965, which is in excess of the production in the corresponding period in 1964 as under:—

(i) at the rate of 20 per cent on the first 10 per cent of such excess production;

(ii) at the rate of 40 per cent on the next 10 per cent of such excess production; and

(iii) at the rate of 50 per cent on the balance of such excess production.

(c) No target of sugar production for the current year has been fixed, but the production is expected to be around 30 lakh tonnes.

**Shri P. C. Borooah:** May I know what will be the total rebate earned by the mills and the maximum price that will be possible to be offered by the mills for purchase of sugarcane?

**The Minister of Food and Agriculture (Shri C. Subramaniam):** The actual rebate available will depend upon the ultimate excess production. That cannot be calculated now. I am sure each mill will be able to make a calculation of their own capacity and on that basis offer a higher price for sugarcane.

**Shri P. C. Borooah:** May I know whether the desirability of imposing restriction upon gur and khandsari to prevent unhealthy competition by cane going to khandsari is under consideration and, if so, what is the result?

**Shri C. Subramaniam:** At present there is no control on the production, sale or distribution of gur.

**Shri R. G. Dubey:** May I know whether the offering of these concessions had any effect on the prevailing market price of khandsari and gur as against sugar?

**Shri C. Subramaniam:** Generally, the prices of gur and khandsari are showing a downward trend. Therefore, it is becoming more and more competitive for the sugar factories to get sugarcane.

**श्री हुकम चन्द कछवाय :** क्या सरकार ने इस बात की खोज की है कि इस समय तक कितनी गुड़ और खण्डसारी लोगों ने बनाई है, उस और कितनी प्रगति हुई है ?

**Shri C. Subramaniam:** With regard to gur and khandsari I do not have the figures with me.

**श्री विभूति मिश्र :** सरकार ने जो नवम्बर महीने में कंसेशन दिये उससे दो तरह के नुकसान हुए, एक तो रिकवरी खोई और दूसरे किसानों को जितना फायदा

होना चाहिये था उतना नहीं हुआ, क्या यह सही है ?

**Shri C. Subramaniam:** This is with reference to the incentives given to the factories. We have given incentives to the producers of cane by giving them higher prices during this season.

**श्री विभूति मिश्र :** किसानों को रिकवरी के ऊपर कीमत मिलती है। चूँकि रिकवरी उस समय कम आई इसलिए किसानों को कम कीमत मिलेगी। सरकार को यह घाटा हुआ कि चीनी कम आई और कंसेशन सरकार को देने पड़े। क्या यह सब सही है, इसका मैं जवाब चाहता हूँ।

**Shri C. Subramaniam:** Formerly, at 9.4 per cent recovery the price was Rs. 1.86. Now we are giving Rs. 2 up to 10.4 per cent. That is the increased price which was suggested by the various State Governments. We have accepted it and fixed that price.

**श्री रामेश्वर टाटिया :** सरकार खादी और हैंडलूम को सुविधा देकर प्रोटेक्शन देती है लेकिन यहाँ बड़ी बड़ी शूगर मिलों को सुविधा देकर जो छोटे छोटे गुड़ और खण्डसारी के उत्पादक हैं, उनको क्या असुविधा में नहीं डालनी है ? क्या सरकार ऐसा करके उसकी जो पालिसी है छोटे उद्योगों को सहायता देने की उससे अलग नहीं जा रहा है ?

**Shri C. Subramaniam:** As a matter of fact, there is a high excise duty over factory-made sugar. That gives competitive strength to gur and khandsari. That is why they are able to get more sugarcane than the sugar factories. As a matter of fact, this protection has been given to the cottage industries.

**Shrimati Savitri Nigam:** What action has been taken to increase the production of brown sugar or khandsari and make it so useful that it could be exported?

**Shri C. Subramaniam:** There is no good market for khandsari outside our country. But there is a good market for raw sugar produced in the factories. Therefore, there is no purpose in seeking an export market for it.

**श्री बसपाल सिंह :** क्या सरकार को पता है कि प्राइवेट खण्डसारी बनाने वालों ने जिस देहात में एक कशर भी लगा रखा था वहां उन्होंने साढ़े तीन रुपये मन तक गन्ना खरीदा? जो रियायत चीनी और खण्डसारी को दी जा रही है, उस में से कितना हिस्सा किसान को मिल रहा है ?

**Shri C. Subramaniam:** We have fixed the minimum cane price. It is open to the sugar mills to pay over and above that for the purpose of competition with the other purchasers of cane. It is left to the discretion of each sugar factory to decide what it would pay and whether it would pay any extra price at all. We have fixed only the minimum price.

**Shri Sinhasan Singh:** May I know whether the rebate proposed to be given to the sugar industry has been agreed to on their representations and whether in fixing the sugar price Government takes into consideration the price of molasses and *chepua*?

**Shri C. Subramaniam:** The price of Sugar is fixed on the basis of the Tariff Commission's Report which was prepared in 1955-56. We have again referred this matter to another commission, called the Sen Commission, which is going into the entire question of production and pricing of sugar in the factories. Therefore, just now we are following the formula which is already available.

**Shri Sinhasan Singh:** I asked whether any consideration has been given to the price of molasses, bagasse and other by-products while fixing the price of sugar.

**Shri C. Subramaniam:** My impression is that the Tariff Commission has not taken that into consideration.

They have only taken into account the recovery factor and the duration of the working period. Now, I am sure, the Sen Commission will go into the raw materials available also which are saleable.

**Shri Sinhasan Singh:** My question has not been answered.

**Mr. Speaker:** Twice he has asked his question. Shri Shivananjappa.

**Shri Sinhasan Singh:** They recover money from these molasses.

**Shri Shivananjappa:** May I know whether the requisitioning of sugar-cane grown within a radius of 20 miles of sugar factories still continues?

**Shri C. Subramaniam:** There is no requisitioning as far as I know.

**Shri A. P. Jain:** In the month of November the recovery from sugar-cane sometimes falls to as low as 7.5 per cent and if the same cane matures in December and January it will give 10 or 10.5 per cent recovery; so, any encouragement for earlier crushing is anti-national in so far as it causes loss of sugar. If that is so, were there any countervailing reasons for the Government to encourage the crushing of sugarcane in the month of November?

**Shri C. Subramaniam:** We wanted some early production. We knew that the recovery will be less; but it was a question of utilising the existing cane and of getting some sugar production during those lean months when we wanted sugar. We gave this additional thing because our stocks were very low and we wanted early production.

**श्री रामेश्वरानन्द :** जिन क्षेत्रों में गन्ना बहुत अधिक होता है और मिलें ले नहीं रही हैं वहां पर अब गन्ना सूख रहा है और घास बिना पशु तंग हैं। मैं जानना चाहता हूं कि क्या सरकार यत्न कर रही है कि वहां के लोगों को खण्डसारी के लाइसेंस दिये जायें

ताकि गन्ना सूखे नहीं और खांड भी बन सके ?

**Shri C. Subramaniam:** This is a matter for the State Government to consider to give licences for those areas where there is no demand for sugarcane.

**श्री रामेश्वरानन्द :** उनको कुछ कहेंगे ऐसी स्थिति में ?

**जय्य महोदय :** क्यों नहीं कहेंगे । आपने कहा तो वह भी आगे कहेंगे ।

**Shri S. M. Banerjee:** I want to know whether it is a fact that after the concession had been given to the sugar industry they have neither reduced the cost of production nor have they given higher prices to the sugarcane growers. If so, what steps are being taken by Government to see that they agree at least to do one of these two things?

**Shri C. Subramaniam:** The production has increased during this period. As a matter of fact, now some of the sugar factories are able to transport cane from a longer distance because they have got this concession. Therefore production has considerably increased in many of the factories.

**Shri S. M. Banerjee:** I have not asked about production. He has not replied to my question at all. I have not asked about more production. I have asked about the cost of production, whether the cost of production has been brought down.

**Shri C. Subramaniam:** I thought, I had answered the question; but if the hon. Member asks the question again and if I have missed any point, I am prepared to answer it.

**Shri S. M. Banerjee:** The sugar industry has been given concession after concession. Have they reduced the cost of production after getting this concession or have they paid more money to the cultivators?

**Shri C. Subramaniam:** This has nothing to do with the cost of pro-

duction; it is in excise duty that we have given concessions. The cost of production depends on the efficiency of each mill.

#### Rice Mills

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**Shrimati Savitri Nigam:**  
**Shri E. Ramanathan Chettiar:**  
**Shri Yashpal Singh:**  
**Shri P. E. Chakraverti:**  
**Shri P. C. Borooah:**  
 \*335. **Shri Bibhuti Mishra:**  
**Shri Kolla Venkalah:**  
**Shri Koya:**  
**Shri Ravindra Varma:**  
**Shrimati Renuka Barkataki:**  
**Shri Rameshwar Tanti:**  
**Shri Parashar:**

Will the Minister of Food and Agriculture be pleased to state:

(a) whether it is a fact that orders have been placed with East Germany and Japan for the import of six modern rice mills to increase milling outturn of rice from paddy;

(b) if so, the estimated capital outlay involved thereby; and

(c) whether these mills will be operated upon by the newly set up Food Corporation of India or the machinery allotted to the State Governments for setting up the mills in the co-operative sector?

**The Deputy Minister in the Ministry of Food and Agriculture (Shri D. R. Chavan):** (a) The orders have been placed with West Germany and Japan for the import of six modern rice mills to increase the milling outturn of rice from paddy.

(b) The estimated fixed capital outlay is Rs. 137 lakhs. This amount is for equipment, land, buildings, silo construction and other connected miscellaneous expenditure.

(c) Five of these six modern rice mills will be operated by the Co-operative societies in five Intensive Agriculture Development Programme areas while the remaining one rice