

LOK SABHA DEBATES

LOK SABHA

Tuesday, June 14, 1994/
Jyaistha 24, 1916 (Saka)

The Lok Sabha met at
Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

[English]

Prices of Essential Commodities

*21. SHRI P. C. THOMAS:
SHRI ARJUN CHARAN
SETHI:

Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether due to escalation and heavy fluctuation in prices of essential commodities, the Government are experiencing great difficulties in the distribution of rice, sugar, edible oils and kerosene through the Public Distribution System;

(b) whether import of these items is still taking place;

(c) if so, the details thereof; and

(d) the steps taken to make available these items to the public at reasonable rates?

THE MINISTER OF STATE IN THE MINISTRY OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION AND MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KAMALUDDIN AHMED) (a) to (d). A *Statement* is laid on the Table of the House.

STATEMENT

(a) The supply position of essential commodities like rice, wheat, edible oils and kerosene under the Public Distribution System (PDS) is comfortable and the Government is not experiencing difficulty in this regard. Regarding sugar, the *ad hoc* increase of 5% made in 1991 has been withdrawn because of shortage in supplies.

(b) and (c). With a view to enhancing the availability of these commodities, only the most required quantities are imported. During 1993-94, 42,000 Metric Tonnes of palmolein was imported for distribution under the PDS. Around 3.95 million tonnes of kerosene had been imported during 1993-94. During April 1993 to February 1994, 75,524 tonnes of rice were imported. The sugar imports have just commenced under the Open General Licence (OGL).

(d) The Government has been keeping a close watch on the supply, demand and prices of essential

commodities on a day to day basis. Efforts are being made to augment the production of these items in the country and also to supplement the overall availability of these commodities through imports. Transport bottlenecks in the speedy movement of these commodities are being attended to on a priority basis. The PDS is being strengthened and streamlined to reach its benefits even to the remote, far flung, hilly and inaccessible areas. The essential commodities of mass consumption are being supplied through the cooperative outlets of Super Bazar, Kendriya Bhandar, retail/mobile outlets of State Civil Supplies Corporations. The State Governments have been alerted to take stern action against hoarders, black-marketeers and those indulging in unfair trade practices.

[English]

SHRI P. C. THOMAS: Sir, I am happy that the answer says that the supply position of essential commodities like rice, wheat, edible oils and kerosene under the present Public Distribution System is quite comfortable. I congratulate the Minister for that and I think that the government will be able to succeed further in this.

But I find that in the case of sugar—as we had a long discussion yesterday—the position is not as comfortable for the people as is stated in the answer. Especially, in some portions as stated in the answer itself there has been an *ad hoc* five per cent cut with regard to sugar for all States generally. That is the answer which has been given by the Minister. But to my knowledge, as far as Kerala is concerned — I do not know whether any other State is also facing the same difficulty — the cut is not five per cent, but it is more than five per cent. Will

the Minister be pleased to say whether it is true, and if so whether there are any reasons for that; if there are proper reasons, and whether those reasons can be rectified and ample sugar be given to Kerala so that Kerala also will be becoming sweeter?

THE MINISTER OF CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION (SHRI A.K. ANTONY): Regarding sugar yesterday there was a detailed discussion as the hon. Member mentioned just now. There is actual shortage in the production of sugar. As a result, the Government took a decision to affect a five per cent reduction in the distribution of sugar through the PDS. From 1991 onwards the government had affected an *ad hoc* increase of five per cent. That five per cent has been reduced.

Regarding Kerala there is a peculiar situation. For all the States in addition to the normal allotment the Government of India gives a particular quantity as special allotment for festival season. Kerala's special allotment for festival season was 3,600 metric tonnes of sugar. But in addition to that, Kerala took advance of 5,000 metric tonnes of sugar for festival season last December. That 5,000 tonnes, the Government of India adjusted this year from March onwards in four instalments of 1,250 metric tonnes each. Now from July onwards Kerala will again get its normal quota of 11,953 tonnes of sugar. Thus from July onwards again Kerala's normal quota will be restored.

SHRI P.C. THOMAS: With regard to edible oil, the answer says that about 42,000 tonnes of metric tonnes of palmolein was imported last year and I find from the statistics and the other records that about 1.5 lakh tonnes of

palmolein is going to be imported next year.

I have also some information that STC has been asked to import 1.5 lakh tonnes of palmolein. Now, there is a peculiar situation with regard to edible oil. Coconut, as we all know, is a product, which gives a very good oil. And coconut-oil is being used all over India. The Price of coconut and for that matter the price of coconut-oil has come down heavily, and the farmers are facing grave difficulties not only in the traditional areas, where coconut is grown, but also in the new areas like Karnatka and Tamila Nadu, where coconut is being grown in large quantities now. So, I was trying to suggest and to plead to the Government whether the import of edible oil could be reduced and the domestic use of coconut-oil which is more available in India now, is increased. The farmers are facing grave difficulties because of crash in the price of coconut and coconut-oil.

Will the Government be pleased to take steps to see that more coconut-oil is made available through public distribution system and the domestic use is increased in this regard? Also, I would like to ask the Government why there is increased import of palmolein by 1.5 lakh tonnes as we have enough edible oil, like coconut-oil, in the country?

SHRI A. K. ANTONY: I can understand the anxiety of the hon. Member about the price of coconut-oil. But I would like to say one thing. The Government has not taken any decision to import coconut-oil. The Government has taken a decision to import palmolein, which is not a new thing. There was a time, in 1987-88, when we used to import 18 lakh tonnes of palmolein. Last year, we have imported only 42,000 tonnes. That means, the Government is importing only

the minimum required quantity of palmolein because we have to safeguard the interests of the consumers also. Always from June onwards, in India there is a tendency of price rise of oil. So, just to meet the demands from the consumers during this period, the Government must have sufficient stock of palmolein. Otherwise, the consumers will have to totally depend on the private traders. That situation is always exploited by the private traders. That is why, the Government is trying to import palmolein. We have taken a decision to import upto 1.58 lakh tonnes through STC. The decision is to import upto 1.58 lakh tonnes. The actual import through STC, so far, is 24,000 tonnes of palmolein. They will import more. It depends on the domestic situation. So, whatever it may be, the Government will prevent all attempts by any quarters to increase the price of edible oil steeply.

SHRI ARJUN CHARAN SETHI: Mr. Speaker, Sir, I would like to know from the hon. Minister, whether it is a fact that the allotment of these essential commodities is being done as per the 1981 census. The State Governments have demanded time and again that the allotment should be made as per the census of 1991. I want to know whether the Government will take a decision to make the allotment of these essential commodities as per the 1991 census.

Moreover, I want to know whether this five per cent cut, which the hon. Member has stated, is being done. This cut will adversely affect the interests of the States as well as the consumers. If so, what steps the Government has taken to neutralise this cut so that the people in the far flung areas can get sugar as well as other essential commodities?

SHRI A.K. ANTONY: As regards the allotment of wheat and rice, we have

taken a liberal view. Whenever we are getting requests from the State Governments for the increase in allotment of wheat and rice, we are trying to accommodate the request of the State Government to the maximum extent.

Regarding kerosene also, in September, 1993, there was an increase of three per cent. From June 1994 onwards also, Petroleum Ministry has effected another increase of three per cent in kerosene.

As regards the allotment of sugar, the population base that we have taken is 1986 and not 1981. Everybody knows that there is a shortage of sugar. That is why the Government was compelled to reduce the allotment of sugar. We have given *ad hoc* increase of sugar to the State Government from 1991 onwards, over and above the regular allotment of sugar to PDS. The Government has taken a decision at the highest level, at the Prime Minister's level, that there would not be any reduction in PDS sugar.

SHRI SHARD DIGHE: Mr. Speaker, Sir, in reply to part (b) and (c), the hon. Minister has said that with a view to enhancing the availability of these commodities, only the most required quantities are imported. As far as the import is concerned, two or three Ministries are always involved — Finance Ministry, Commerce Ministry, Food Ministry, and the Civil Supplies Ministry. I would, therefore, like to know whether there is any Cabinet Committee which ultimately monitors the desirability of importing and the way in which it should be imported, or not. If there is no such Committee, would the Government consider to establish such machinery by which these things can be coordinated?

SHRI A.K. ANTONY: There is already a Cabinet Committee on Prices, headed by the Finance Minister, in which the Ministers of Agriculture, Commerce, Food, Civil Supplies and all the other concerned Ministries are involved. So, already there is a mechanism for monitoring this.

DR. JAYANTA RONGPI: Sir, considering what the hon. Minister has claimed in part (c) of his answer, the far flung areas and the inaccessible areas, especially the hill areas, are still deprived of the services of the Public Distribution System. Especially in the North-East, my personal experience is that mobile outlets, about which the hon. Minister has mentioned, are almost non-existing. If you talk to the authorities, they will say that the van or the truck allotted for this PDS has been requisitioned by the law and order authorities. The godowns are non-existing or non-functioning. Especially I would like to mention about the two hill districts of Assam. In the entire hill region, there is not a single godown functioning. So, the PDS has to leave the essential items for far flung areas, especially for the plain areas. There are some other bottlenecks also. Since these are the problems, will the Ministry constitute a Special Cell to know the present status of PDS in the hill areas and the difficult terrain areas, to provide essential food items, especially to the tribal people and the people living in inaccessible areas?

SHRI A. K. ANTONY: Sir, the Government is paying special attention to the North-East region. I appreciate the sentiments expressed by the Member. North-East is always having lot of problems because of the logistical location of the North-Eastern States. For the first time this year, before the monsoon itself, we have been able to stock the record quantity of foodgrains for

the North-Eastern States. Now the problem is that even though we have been able to procure and store record quantity of foodgrains for the North-States, because of the logistical problems, we do not have enough godowns in all the far flung areas of the North-Eastern States. This is the real difficulty. Government of India is now going to take up a special programme for having more godowns in the North-Eastern States.

DR. JAYANTA RONGPI: Will a special Cell be constituted to provide essential food items to the people?

SHRI A.K. ANTONY: Sir, already there is a special coordinating machinery of the concerned Ministries in the Government of India to look after the interests of the North Eastern States. Normally, before the monsoon there used to be a complaint from the North East that there is not enough stock this year, for the first time, there is a record food stock for the North East and all the North Eastern States have also realised that now there is a problem of distribution. For that we need more godowns and we have taken a decision to have more godowns in the North East. So, we will take special care of that problem.

PROF. UMMAREDDY VENKATESWARLU: Mr. Speaker, Sir, I am happy that the hon. Minister has just now, in his reply, said that there is an increase of quota by three per cent.

MR. SPEAKER: There are many who want to ask the question. You come directly to the question.

PROF. UMMAREDDY VENKATESWARLU: Yes, Sir. In 1993, there was an increase of three per cent and in 1994

also there is another three per cent increase with regard to the supply of kerosene. In Andhra Pradesh, a drastic cut has been announced now with regard to kerosene and it has been tagged on to the LPG consumers. It seems that the norms are changed now that if there is an LPG consumer, kerosene will not be supplied to him and it will be cut down. I want to know whether there are any changes in the norms with regard to the kerosene consumers under the Public Distribution System. If it is so, what are the changes in the norms with regard to the identification of these kerosene consumers?

SHRI A. K. ANTONY: Sir, the question which the hon. Member has raised is handled by the Ministry of Petroleum. They are thinking of excluding persons who are having the LPG connection. I do not know whether they have taken a final decision on that. But even if the persons who are having two LPG cylinders are excluded, there is no question of reducing the State quota. Regarding allotment to any particular State, the quota is not reduced. It is increased.

PROF. UMMAREDDY VENKATESWARLU: Sir, the consumer is denied kerosene simply because he has an LPG connection.

[Translation]

SHRI NITISH KUMAR: Mr. Speaker, Sir, in regard to part (b) and (c) of my question the hon. Minister has stated:

[English]

"With a view to enhancing the availability of these commodities,

only the most required quantities are imported."

He further said:

"During April, 1993 to February, 1994, 75524 tonnes of rice was imported."

[*Translation*]

The Government has given this reply and in reply to another question, the Minister of Food has stated:

[*English*]

"Minimum stock of foodgrains, wheat and rice including buffer and operational stock is there."

In that, he says about the stock position as follows:

"Stock position of foodgrains in the Central pool as on 1st July, 1993, 1st October, 1993, 1st January, 1994 and 1st April, 1994 has been higher than the minimum stock to be maintained as for buffer stocking norms as indicated ever. it was 8.34 per cent, 25.84 per cent, 42.79 per cent and 41.75 per cent more than the buffer stocking norms for these dates respectively.

[*Translation*]

In this connection, I would like to know from the hon. Minister that when the position of buffer stock is upto the mark and we have sufficient foodgrains stock which is more than our requirement, then what is the justification for importing 75,524 tonnes of rice. Whether the Government is making rehearsal to comply the provision of GATT agreement

under minimum market access? The Minister should put the light over the justification for this import.

[*English*]

SHRI A.K. ANTONY: Sir, I would like to assure the House that as far as rice import is concerned, it is completely stopped and there is no question of importing rice now, because we have enough stock. Regarding Vietnam rice, in 1992 the Government of India had entered into a contract with Vietnam to import 2,15,000 tonnes of rice. Out of that, 1,42,000 tonnes of rice has reached India. Out of that 1,42,000 tonnes, 70,000 tonnes is by way of repayment of interests for the commodities we have given to Vietnam as loan and we have imported only 70,000 tonnes directly. That import took place in 1992 and that rice came only last year. Last year, there was no fresh import and this year also there is no fresh import. There will not be any import because all our godowns are full. Now, we have 24.5 million tonnes of foodgrains in our godowns. So, there is no question of importing rice or wheat.

SHRI INDER JIT: Mr. Speaker, in reply to a question put by Shri Sharad Dighe just now, the hon. Minister was pleased to state that there is a Cabinet Committee which goes into the question of imports of essential commodities and so on. I would like to know whether the question of import of sugar in large quantity was considered by this committee and if it was considered, how come the concerned Minister was totally unaware of a decision taken behind his back by the bureaucrats?

Therefore, I would like to know, how is this committee functioning? And how do you explain the confusion whether sugar

should be imported by the Food Corporation of India or the STC or MMTC?

SHRI A.K. ANTONY: Already there was a detailed discussion regarding this particular aspect. The Cabinet Committee on Prices deals with general terms about the import of all the essential commodities including sugar. The other details are dealt with by the various administrative Ministries. For that, there was a detailed discussion yesterday.

[Translation]

SHRI PHOOL CHAND VERMA: Mr. Speaker, Sir, in reply to part (b) of my question the hon. Minister has stated. That 52 thousand metric tonnes of palmolein was imported during 1993-94 under the category of edible oil. I would like to know from the hon. Minister, whether he is aware of the fact that the price of the edible oil has been doubled after its import as previously it was available at Rs. 20-22 per kilogram whereas the present rate is Rs. 40-45 per kilogram. In view of this what action is proposed to be taken by the Government to check the price rise.

[English]

SHRI A.K. ANTONY: The Government will take all the possible action to arrest the price rise and increase in the edible oil prices. If needed, we will import more. It depends on the requirements. If we find that in spite of our import, still prices are running high, we will try to import more and try to reduce the price.

(Interruptions)

MR. SPEAKER : Please sit down. It is not to be replied.

[Translation]

SHRI VIJAY KUMAR YADAV: Mr. Speaker, Sir, the hon. Minister has stated in his reply that a close watch is being kept on the supply and demand of the essential commodities on a day to day monitoring. Many essential commodities are not available in the market and prices of essential commodities are still increasing. The present monitoring system has proved a failure. Whether in view of this, the Government proposes to adopt some other effective method to ensure proper monitoring and supply of commodities at reasonable prices to the people.

[English]

SHRI A.K. ANTONY: The Central Government is monitoring the prices of essential commodities with the cooperation of the State Governments. Whenever we find the possibility of shortfall, first we try to increase the availability of essential commodities through import. To import alone is not the solution. Even then, there will be hoarding. To prevent hoarding, the State Governments should also take punitive action. You cannot say, it is all the responsibility of the Central Government. It is the joint operation. Unless the State Government also shows the political will, we will not be able to prevent diversion, hoarding and other things.

From our point of view, the Central Government will take all the possible available options to increase domestic availability of essential commodities. About the other operational part, the State Government also should come forward. We have requested the State Chief Ministers that they should also, in this atmosphere of scarcity of essential

commodities, act promptly. Whenever they find there is hoarding, blackmarketing or diversion of PDS articles, they should take strong action against those people who are indulging such kind of malpractices.

[*Translation*]

SHRI RABI RAY: Mr. Speaker, Sir, it is a basic question, it mentions that;

[*English*]

Supply position of essential commodities like rice, wheat, edible oil, maize etc., etc., is comfortable.

[*Transiation*]

The hon. Minister has stated that supply position is comfortable. Whether the hon. Minister is aware that State of Orissa is called the classical example of poverty, where rice was available at Rs. 2 per kilo in 1990, which increased to Rs. 4 and 22 paise in 1992-93 and is being sold at Rs. 5 and 22 paise per kilo at present. Lakhs of people in Orissa cannot afford to buy rice. Despite all this, the Government gives a statement that supply system is functioning well. On the contrary, the Government does not fulfil its duty of providing rice at subsidised rates of lakhs of Adivasis and handicapped persons. What the Government wants to say in this regard?

[*English*]

SHRI A.K. ANTONY: We have given additional quantities of rice this year to Orissa and we have also given additional quantities of kerosene to Orissa.

SHRI RABI RAY: I am referring to price.

SHRI A.K. ANTONY: Price is uniform throughout the country. But as a special case, we have given more allocation to Orissa this year twice. If you want more, we can give more rice to Orissa.

SHRI RABI RAY: I am referring to price.

SHRI ANKUSHRAO RAOSAHEB TOPE: AT the moment, sugar is in great demand because of less production. PDS is open for both the rich and the poor. Because of that, people are not getting sugar under PDS. I want to know whether Government is thinking that PDS should be restricted only for the poor and the rich who can afford to purchase from the open market should be excluded from the PDS.

SHRI A.K. ANTONY: This is a basic question. I cannot answer the question right now.

[*Translation*]

SHRI RATI LAL VERMA: The people living in villages in Gujarat do not get Sugar, edible oils and Kerosene Oil under P.D.S. As a result the Government of Gujarat has demanded increase in quota. Whether Government proposes to increase its quota?

[*English*]

SHRI A.K. ANTONY: Regarding sugar, at the moment we are not in a position to increase sugar quota at any stage. This year also, we have effected a limited quantity of increase of kerosene oil to all the States. That is applicable to Gujarat also.