

LOK SABHA DEBATES

LOK SABHA

Thursday, September 12, 1991/Bhadra 21,
1913 (Saka)

The Lok Sabha met at
Eleven of the Clock

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

[*Translation*]

Operation Flood-II Programme

*795. SHRI VISHWANATH SHASTRI:
Will the Minister of AGRICULTURE be
pleased to state:

(a) whether the joint mission, of the
European Economic Community and the
World Bank had evaluated the work done
under Operation Flood-II Programme;

(b) if so, the recommendations made by
the said mission; and

(c) the follow up action taken/proposed
to be taken by the Government thereon?

[*English*]

THE MINISTER OF STATE IN THE
MINISTRY OF AGRICULTURE (SHRI K.C.
LENKA): (a) to (c). A joint mission of consult-
ants appointed by the European Economic
Community (EEC) and World Bank visited
India in July-August, 1986 to review opera-

tion Flood-II project and to make an ap-
praisal of Third phase of Operation Flood.
The views contained in the reports submit-
ted by the consultants were not considered
as representative of the official views of the
financing institutions. The matter was, there-
fore, not pursued. A further appraisal of the
project was carried out in November/De-
cember, 1986 and March/April, 1987 on the
basis of which operation Flood-III was cleared
for funding by World Bank/EEC.

[*Translation*]

SHRI VISHWANATH SHASTRI: Mr.
Speaker, Sir, through you, I would like to
know from the hon. Minister of Agriculture
the recommendations made by the joint
mission of European Economic Community
and World Bank which were turned down
earlier and accepted by the Government
after a review in November, 1986. The detail
of the recommendations made by European
Economic Community and World Bank
separately?

[*English*]

SHRI K.C. LENKA: Sir, the Joint Com-
mission which reviewed the progress of
Operation Flood II in July-August, 1986
suggested certain things. Those sugges-
tions were not considered appropriate by the
Government for taking action because the
EC and the World Bank informed that the
suggestions given by the consultants were
not the official view of the World Bank and
the EC. They told that they had not reviewed
Operation Flood II or they had not revised
Operation Flood II as a whole. They sug-
gested certain recommendations in certain
areas where certain weaknesses were found
in Operation Flood programme. Those sug-
gestion have been taken care of while the
appraisal was made for starting operation
Flood-III.

[*Translation*]

SHRI VISHWANATH SHASTRI: Mr. Speaker, Sir, secondly, I would like to know the impact of this scheme, if the policy of delicensing is adopted?

[*English*]

SHRI K.C. LENKA: Sir, the review report, submitted by three joint commissions, commended the performance of the Operation Flood. They suggested that the Anand pattern type, which they have implemented through Operation Flood, have great impact all over the State, especially in the rural areas. The whole object of the Operation Flood is to strengthen the marketing and processing position of rural cooperatives so as to produce more milk.

[*Transiation*]

SHRI VISHWANATH SHASTRI: Mr. Speaker, Sir, I want to know the impact of the delicensing as well as of the policy of allowing other persons to come into the field on this project. How will the Government be able to counter this impact? Instead of replying to my questions the hon. Minister is giving detail of the evaluation of the various aspects of this scheme.

[*English*]

SHRI. K.C. LENKA: Sir, I think the hon. Member wants to know whether the delicensing of milk products will have an impact on the cooperatives or not. Government has taken a conscious decision to delicense the milk products. Sir, keeping in view that more private persons will come to the field and invest their money in the rural areas, more investment will be made in the Dairy Sector which will augment the dairy products in the country. It will give an impetus to the rural farmers to produce more milk and thus it will not affect cooperatives as it is. But, it is true that after delicensing the Dairy Cooperatives have complained that it will hamper the performance of the cooperatives and the Department is looking into this matter.

SHRI SOBHANADREESWARA RAO VADDE: Sir, in view of the importance of the Operation Flood programme, which is aimed at increasing the total milk production as required by the increasing population and at the same time improving the incomes of the rural people, especially the small farmers and agricultural labours, will the Government take immediate steps to implement the Operation Flood III programme in Andhra Pradesh. The State of Andhra Pradesh has already taken up the Anand Pattern in a good spirit. I would also like to know will the Government take immediate steps also to improve the milk yield of the milched cattles in certain areas like Assam, Madhya Pradesh, etc. Where the yield is very very less. Though, the Government says it has a programme in this regard but it is not making good progress.

The Minister has just how said that because of delicensing some companies will come up to produce milk products, which will give more profit to them, rather than to collect and distribute milk to the people in urban areas and also in rural areas who are in need of it. So, will the Government take care of this particular aspect and see that these companies do not come to rural areas to help the rural people and in turn end up by earning profit out of it. I would also like to know whether the Government will think seriously about it and will take adequate steps to see that such things do not take place.

SHRI K.C. LENKA: Sir, Operation Flood Stage-III is already in operation. In our country, in twenty two States, including Andhra Pradesh, this programme is under operation.

The hon. Member has an apprehension that the private persons or the multi-nationals who are interested in having the milk-products industry in the country, may exploit the farmers, who are engaged in the procurement of milk in the co-operative sector.

Sir, this matter has already been examined and precautions will be taken to see

that these farmers and the landless labourers who are engaged in milk production in the rural areas are not exploited.

SHRI SRIBALLAV PANIGRAHI: Sir, may I know from the hon. Minister whether the Operation Flood Stage-III has already started? If so, when has it started? What is the level of investment by the World Bank, etc? I would also like to know whether all the States have been covered in this programme.

Orissa, has rich potential in this dairy development. A lot of development had taken place. I would like to know what is the position of Orissa in the Operation Flood Stage-III programme?

SHRI K.C. LENKA: Sir, the Operation Flood Stage-III was started in 1987. With the financial assistance of \$ 360 million from the World Bank and a gift of 76,000 M.T. of skimmed milk powder and 25,000 M.T. of butter oil by the EEC, the whole Operation Flood Stage-III programme costs Rs. 915 crore. This Operation Flood Stage-III has shown good results in specified areas but in the Eastern part of the country and particularly in the North-Eastern Region, it has not shown satisfactory results. The operation Flood has started in those States which are advanced in the traditional milk production, such as Gujarat, Maharashtra and now it has started in Haryana, Uttar Pradesh and Rajasthan.

So far as Orissa is concerned, this State is very much neglected. The progress in Orissa and other Eastern States is not satisfactory.

The NDDB has advised that in the Stage-III period, all the backward State including Orissa which have not shown any satisfactory results should be given priority.

[*Translation*]

SHRIMATI SAROJ DUBEY: Mr. Speaker, Sir, the hon. Minister has highlighted the achievements of Operation Flood. I would like to know whether the Govern-

ment is aware that the EEC and the World Bank are advising other countries like Nigeria and China to adopt the operation Flood as a model scheme, impressed by the results of the programme? Why does the Government intend to cause harm to the Operation Flood programme which is running successfully in the country by delicensing the dairy industry? If the Operation Flood has not proved beneficial will the Government withdraw it?

A few hon. Member met the hon. Minister of Finance. The hon. Minister stated that the Government wants to end the monopoly in milk sector whereas he should have mentioned that the cooperative sector will be encouraged. Will this measure of the Government not render 70 lakh farmers engaged in dairying, unemployed and aggrivated further the unemployment problem,? Will children not suffer for lack of availability of milk? Will the Government's stand be made clear by the hon. Minister on these issues?

[*English*]

SHRI K.C. LENKA: After the delicensing policy was declared, a lot of multinationals and private industrialists have shown their interest to come to this field. I can assure the House that this delicensing policy will not hamper the progress made by the cooperative sector. Of course, the cooperative sector have submitted a memorandum to the Government that due to this delicensing policy, milk flow will dry up in the market because the industrialists will try to procure milk from the producers. Naturally the producers will give milk to those who will give them the remunerative price. So, there will be a competition. But, in no way, the producer will be hampered; they will rather get more price. But we have to see that the cooperative sector will not suffer and it should not be hampered by this delicensing policy.

SHRI TARA SINGH: Seeing the fluctuating prices of this milk, is he prepared to give the support price to the milk producers? Now the position is that in Haryana wheat flour is sold at Rs. 5 per kilo and the

milk is sold at Rs. 4 per kilo. Kisan is suffering.

SHRI K.C. LENKA: We are giving the remunerative price today. The Delhi Milk Scheme and the Mother Dairy are supplying milk to the consumers at the subsidised rate. The Delhi Milk Scheme is providing milk to the consumers at Rs. 5 per kilo whereas the cost of production of this milk is more than Rs. 6 per kilo.

[*Translation*]

Pig Iron Plants in Maharashtra and Madhya Pradesh

*796. **SHRI VILASRAONAGNATHRAO GUNDEWAR:** Will the Minister of STEEL be pleased to state:

(a) the number of pig iron plants in Maharashtra and Madhya Pradesh;

(b) whether there is any proposal under consideration of the Union Government for setting up of some more such plants in the Public/Private Sector in the above States; and

(c) if so, the details thereof?

[*English*]

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (c). A Statement is laid on the table of the House.

STATEMENT

(a) There is no plant for exclusive production of pig iron in Maharashtra and Madhya Pradesh. The Bhilai Steel Plant of Steel Authority of India Ltd, however produce Pig Iron as part of its product-mix.

(b) and (c). Production of Pig Iron has so far been largely confined to Public Sector Steel Plants. With a view to enabling inte-

grated steel plants to produce steel for which substantial investments have been made, it has been decided to create fresh capacity for manufacture of pig iron in the secondary sector. There has been encouraging response from the entrepreneurs who are examining the feasibility of setting up of pig iron manufacturing in different parts of the country, including the States of Madhya Pradesh and Maharashtra. A few of them have firmed up their project proposals and initiated steps for their implementation.

[*Translation*]

SHRI VILASRAO NAGNATHRAO GUNDEWAR: Mr. Speaker, Sir, the hon. Minister has replied that there is no plant for exclusive production of pig iron. I would like to know whether there is any proposal to set up such a plant in Maharashtra or in my constituency, Hingoli, to produce pig iron for producing steel?

[*English*]

SHRI SONTOSH MOHAN DEV: As I said in my answer, there is no such plant in the public sector. But there is one application which is being cleared by IDBI of M/s Usha Ispat Ltd., Village Redi, District Sindhudurg; it is in Maharashtra. There are other aspirants who are trying for it. There is one in Nagpur-M/s Nagpur Alloy Castings limited; it is in District Nagpur in Maharashtra. This is an area which the hon. Members has mentioned. There is another prospective party who wants to do it- M/s Trimbak Steel Ltd; it is in Aronda District, Sindhudurg, Maharashtra.

[*Translation*]

SHRI VILASRAO NAGANTHRAO GUNDEWAR: Have some persons submitted proposals for setting up plants and if so, Government attitude towards them? If several companies have submitted such proposals then what is the intention of the Government?