

**Financial Assistance for Palm Oil Mills in
Andhra Pradesh**

*293. SHRI L. RAMANA :
SHRI AYYANNA PATRUDU :

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Technology Development Mission on oil seeds propose to encourage Palm oil plants;

(b) if so, the details thereof;

(c) whether the Government of Andhra Pradesh has requested the Union Government for financial assistance to set up a Palm Oil Mill in the State; and

(d) if so, the reaction of the Government thereon?

THE MINISTER OF AGRICULTURE (SHRI CHATURANAN MISHRA) : (a) and (b) Technology Mission on Oil Seeds and Pulses, Ministry of Agriculture has been financially supporting Palm Oil and other edible oils processing programme both for the field demonstrations and for the new Research and Development Programmes under its scheme of "Research and Development in Post Harvest Technology in Oilseeds and Pulses". Under demonstration programme, the following projects have been executed/being executed with the financial support of Technology Mission on Oilseeds and Pulses:

- (i) *Kerala* : A demonstration Unit of one Tonne fresh fruit bunches/hour capacity Palm Oil Unit was set up at CPCRI (ICAR) Palode with the financial assistance of Central Government, and for improving the efficiency of the Units, the financial assistance was provided by the Mission.
- (ii) *Andhra Pradesh* : A Palm Oil Mill of 1.0 Tonne fresh fruit bunches/hour capacity has been established in 1992 at Padavegi. It has been scaled up to 4.5 Tonne FFB/hour in 1996.
- (iii) *Palm Oil Demonstration Units* : The Mission has sanctioned the commissioning of 3 demonstration Units of Palm Oil Mills in the potential States of Gujarat, Goa and Tripura. The share of Government of India is 75% whereas 25% cost of the project would be borne by the respective State Government.

(c) and (d) The Ministry of Agriculture has not received any request from the Government of Andhra Pradesh for financial assistance to set up a Palm Oil Mill in the State. However, the National Cooperative Development Corporation (NCDC), an Autonomous Organisation under the Administrative control of Ministry

of Agriculture, Government of India, on the request of the Andhra Pradesh Oil Federation, has sanctioned an assistance of Rs. 928.00 lakhs to the State Government of Andhra Pradesh for setting up of a Palm Oil Mill of 10 Tonne fresh fruit bunches/hour capacity in Ashwaraopet District Khammam, Andhra Pradesh by APOILFED at an approved block cost of Rs. 1160 lakhs.

The Technology Development Board, under Ministry of Science & Technology has also approved a loan of Rs. 3.4 crores for the same project, being a pioneering effort in this direction.

New Fertilizer Policy

*294. SHRIMATI LAKSHMI PANABAKA :
DR. T. SUBBARAMI REDDY :

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the total capacity of the fertilizers projects at present;

(b) whether the fertilizers production in the country is expected to be on a increase;

(c) whether the Ministry have prepared a new fertilizer policy;

(d) if so, the main features thereof;

(e) whether the Government have taken into account the recommendations of the Hanumantha Rao Committee on the fertilizer policy;

(f) if so, the time by which the new fertilizer policy is likely to be announced;

(g) whether any decision has been taken on the sick fertilizer Units in the country; and

(h) if so, the details thereof?

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI M. ARUNACHALAM) : (a) The installed capacity of fertilizers as on 1.4.97 was 97.77 lakh tonnes of nitrogen and 29.05 lakh tonnes of phosphate.

(b) The fertilizer production is targeted to increase by 11.8% in 1997-98.

(c) to (f) A High Powered Fertilizer Pricing Policy Review Committee has been constituted to review the existing system of subsidisation of urea and suggest an alternative, broad-based, scientific and transparent methodology. The Committee is yet to finalise its report and decision of the Government on the various elements of the fertilizer policy will be taken in the light of the Committee's recommendations.

(g) and (h) Revival packages for the functional units of the sick fertilizer companies under the administrative control of Department of Fertilizers, viz. Hindustan Fertilizer Corporation Limited (HFC) and Fertilizer Corporation of India Limited (HCI) have been reformulated from the standpoint of the financial institutions. The scope of the revival schemes is to be determined on considerations of viability and tie up of the funding arrangements.

[*Translation*]

Economic and Overhead Cost of Wheat and Rice

*295. SHRI NAWAL KISHORE RAI : Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the economic and overhead cost of wheat and different varieties of rice fixed by the Food Corporation has been continuously increasing during the last three years;

(b) if so, the details thereof;

(c) whether the Government have ascertained the causes for continuous increase in the rate of economic and overhead cost;

(d) if so, the details thereof;

(e) whether more expenditure is being incurred on the maintenance of foodgrains than the actual price of the foodgrains;

(f) if so, the reasons therefor; and

(g) the steps taken by FCI to reduce these costs?

THE MINISTER OF STATE OF THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI RAGHUVANS PRASAD SINGH) : (a) and (b) The break-up of the economic and overhead cost for wheat and rice during the years 1994-95 to 1996-97 was as follows:—

(Rate : Rs. Qtl.)

	1994-95	1995-96	1996-97 (RE)
WHEAT			
(A) Pooled Cost of grain	334.80	351.04	358.38
(B) Overhead Cost			
(i) Procurement incidentals	88.31	89.70	97.00
(ii) Carryover charges to State Agencies	22.51	30.61	43.94

	1994-95	1995-96	1996-97 (RE)
(iii) Distribution cost	105.51	112.60	118.82
ECONOMIC COST (A + B)	551.17	583.95	618.14
RICE			
(A) Pooled cost of grain	537.77	581.38	622.08
(B) Overhead Cost			
(i) Procurement incidentals	58.13	54.10	60.79
(ii) Distribution cost	98.81	127.34	131.83
ECONOMIC COST (A + B)	694.71	762.82	814.70

(c) and (d) These costs have increased mainly due to increase in the pooled cost of grains as a result of increase in the Minimum Support Price/naked cost of grains, as also *ad-valorem* increases in statutory charges and switch over to 50 kg. gunny packings and increase in carryover charges due to heavy procurement and less taking over of stock due to movement constraints.

(e) No, Sir.

(f) Does not arise.

(g) The following important steps have, *inter-alia* been taken by the FCI to reduce/contain these costs:—

- (i) Setting the target of achieving average capacity utilisation of 75% even though the procurement of grain is seasonal;
- (ii) Adhering to the laid down procurement and movement ratio norm of 1:1.35 to reduce the expenditure on freight;
- (iii) Making continuous efforts to reduce shortages in handling of foodgrains and to reduce incurrence of demurrage charges; and
- (iv) Releasing of excess stocks in open market to save on interest and storage charges.

[*English*]

Infrastructure of Consumer Courts

*296. SHRI BANWARI LAL PUROHIT :
SHRI SHIVAJI VITHALRAO KAMBLE :

Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state:

(a) whether the Union Government provide grants to State Governments for setting up and strengthening the infrastructure of consumer courts;