

**ESTIMATES COMMITTEE
(1972-73)**

(FIFTH LOK SABHA)

TWENTY SIXTH REPORT

MINISTRY OF AGRICULTURE

(DEPARTMENT OF FOOD)

[Action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Food)—Directorate of Sugar and Vanaspati.]



**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1972/Pausa, 1894 (Saka)

Price 1 Re. 1.15 Paise

CONTENTS

	PAGE
COMPOSITION OF THE COMMITTEE	(iii)
COMPOSITION OF THE STUDY GROUP 'E' OF THE COMMITTEE	(v)
INTRODUCTION	(vii)
CHAPTER I Report	1
CHAPTER II Recommendations which have been accepted by the Government	2
CHAPTER III Recommendations which the Committee do not desire to pursue in view of the Government's replies	34
CHAPTER IV Recommendation in respect of which replies of Government have not been accepted by the Committee	36
CHAPTER V Recommendations in respect of which final replies of Government are still awaited	37
(APPENDICES)	
APPENDIX I Statement made by the Minister of Agriculture on the 29th August, 1972 in Lok Sabha regarding Sugar and Sugarcane Policy.	38
APPENDIX II Note on special efforts being made to increase oilseeds production by Central and State Governments during the remaining years of the Fourth Plan	39
APPENDIX III Analysis of the action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Fifth Lok Sabha)	46

ESTIMATES COMMITTEE

(1972-73)

CHAIRMAN

Shri Kamal Nath Tewari

MEMBERS

2. Shri Maganti Ankineedu
3. Shri Aziz Imam
4. Shri Onkar Lal Berwa
5. Shri Narendra Singh Bisht
6. Shrimati Marjorie Godfrey
7. Shri D. B. Chandra Gowda
8. Shri Krishna Chandra Halder
9. Shri Hari Singh
10. Shri A. K. M. Ishaque
11. Shri M. M. Joseph
12. Shri Tulsiram Dashrath Kamble
13. Shri L. D. Kotoki
14. Shri K. Lakkappa
15. Shri K. M. Madhukar
16. Shri G. S. Mishra
17. Shri Mohammad Tahir
18. Shri Mohan Swarup
19. Shri Nanubhai N. Patel
20. Shri T. A. Patil
21. Shri Mahadeepak Singh Shakya
22. Dr. H. P. Sharma
23. Shri N. Tombi Singh
24. Shri M. S. Sivasamy
25. Shri Pravinsinh Solanki
26. Shri C. M. Stephen

(iv)

27. Shri K. Suryanarayana
28. Shri Venkatrao Babarao Tarodekar
29. Shri Krishnarao Thakur
30. Shri Nanjibhai Ravjibhai Vekaria

SECRETARIAT

Shri M. S. Sundaresan—*Deputy Secretary.*

Shri G. D. Sharma—*Under Secretary.*

STUDY GROUP 'E'
ESTIMATES COMMITTEE
(1972-73)

CONVENER

Shri Narendra Singh Bisht

MEMBERS

2. Shri M. M. Joseph—*Alt. Convener*
3. Shri Maganti Ankineedu
4. Shri Onkar Lal Berwa
5. Smt. Marjorie Godfrey
6. Shri D. B. Chandra Gowda
7. Shri Tulsiram Dashrath Kamble
8. Shri L. D. Kotoki
9. Shri K. Lakkappa
10. Shri G. S. Mishra
11. Shri T. A. Patil
12. Dr. H. P. Sharma
13. Shri Pravinsinh Solanki
14. Shri K. Suryanarayana
15. Shri Nanjibhai Ravijibhai Vekaria.

INTRODUCTION

I, the Chairman of the Estimates Committee having been authorised by the Committee, present this Report of the Estimates Committee on action taken by Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Food)—Directorate of Sugar and Vanaspati.

2. The Fifteenth Report was presented to Lok Sabha on the 17th April, 1972. Government furnished their replies indicating action taken or proposed to be taken on the recommendations contained in that Report on the 28th November, 1972. The replies were examined by Study Group 'E' of Estimates Committee (1972-73) at their sitting held on the 18th December, 1972.

3. The draft Report was adopted by the Estimates Committee (1972-73) on the 20th December, 1972.

4. The Report has been divided into the following Chapters:—

I—Report.

II—Recommendations which have been accepted by Government.

III—Recommendations which the Committee do not desire to pursue in view of the Government's replies.

IV—Recommendations in respect of which replies of Government have not been accepted by the Committee.

V—Recommendations in respect of which final replies of Government are still awaited.

5. An analysis of the action taken by Government on the recommendations contained in the Fifteenth Report of the Estimates Committee (Fifth Lok Sabha) is given in Appendix III. It would be observed therefrom that out of the 50 recommendations made in the Report, 46 i.e., 92 per cent have been accepted by the Government;

the Committee do not desire to pursue 2 recommendations i.e., 4 per cent in view of Government's replies; and 2 i.e., 4 per cent recommendations in respect of which final replies of Government are still awaited.

NEW DELHI—110001
December 23, 1972

Pausa 2, 1894 (Saka)

KAMAL NATH TEWARI,
Chairman,
Estimates Committee.

CHAPTER I

REPORT

The Estimates Committee are glad to observe that the recommendations contained in their Fifteenth Report (Fifth Lok Sabha) on the Ministry of Agriculture (Department of Food)—Directorate of Sugar and Vanaspati have been generally accepted by the Government.

CHAPTER II

RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (S. No. 1 Para 1.6)

The Committee note with concern that sugar production has not kept a steady pace but has been maintaining a trend of rise and fall during the last ten years, on account of which the Government have been revising their sugar policy from year to year by putting it under control, semi-control and de-control. This indicates that there is no long range policy in the matter of sugar production which may be adequate to meet fully the internal demand and export requirements. The Committee are unable to understand how the Government have been following so far an *ad hoc* policy on year to year basis. They feel that this matter has been pending for a long time and the question of formulation of a long range policy keeping in view the future internal demand of sugar and also our sugar export commitments, does not brook any further delay. They also feel that the anomaly of fluctuations will not be solved unless the sugarcane growers get a remunerative price for the cane.

Reply of Government

The Government have accepted the need for evolving a long term sugar and sugarcane policy and have announced the steps already taken or proposed to be taken in this direction, in both Houses of Parliament on the 29th August, 1972. A copy of the statement is at Appendix—I.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated, 28th November, 1972].

Recommendation (Sl. No. 2 Para No. 1.18)

The Committee note that the present target of Fourth Plan for sugar production is 47 lakh tonnes a year and to achieve this target of production necessary additional capacity as well as expansion in the existing units has been licensed from time to time. The licensed

capacity at the present moment is 52 lakh tonnes of which 37.5 lakh tonnes have been established upto the season of 1970-71. The Committee also note that at the end of the Fourth Plan, the installed capacity is likely to be of the order of 45 to 47 lakh tonnes.

Reply of Government

The position as on the 1st August, 1972 is that licences have been issued to the extent of 53.04 lakh tonnes and the installed capacity in the industry is 39.07 lakh tonnes. Thus, there is a gap of about 14.0 lakh tonnes between the licensed capacity and the installed capacity in the sugar industry. This wide gap is because of the difficulties being experienced by the new sugar factories in raising the share capital, procurement of plant and machinery especially the critical equipment, procurement of iron and steel etc. Similar difficulties are being experienced in the case of existing sugar factories having licences for effecting substantial expansion. Efforts are being made to solve the difficulties. However, it is estimated that by the end of the Fourth Plan period (1973-74), the installed annual sugar production capacity in the sugar industry may only be of the order of 43 to 44 lakh tonnes, which would be less than the earlier estimate of 45 to 47 lakh tonnes.

2. It is felt that additional licences should be issued during the Fourth Plan Period to raise the licensed capacity from 53.04 lakh tonnes to 56.0 lakh tonnes to enable an increase in installed capacity, to the extent possible. This proposal is under active consideration of an Inter Ministerial Committee.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated, 28th November, 1972].

Recommendation (S. No. 3 Para 1.19)

The Committee agree with the view that the requirements of sugar for internal consumption is expected to rise considerably by the end of the Fifth Plan period for which planning on a long-term basis should be made from now onwards. In view of the usual lag between licensing and establishment of capacity, licensing may have to be done for higher target. Licensing can be purposeful only if the economic size of sugar factory is determined and uneconomic units are expanded to economic size and for the balance of the capacity, new units are licensed. The Committee have no doubt

that Government will keep in view the fact that the sugar producing States will be self-sufficient to avoid cross-movement of sugar. They also note that while it is proposed to give new licences to establish sugar factories they have not come across any plan for corresponding increase in sugarcane production to match the installed capacity. On the other hand, the figures placed before the Committee show decline in sugarcane acreage.

Reply of Government

The Government accept the need for a long term plan for meeting the requirements of sugar for internal consumption. The target for licensing of sugar units in the 5th Plan, will take into account, the usual time lag for the fulfilment of licenses.

2. As part of a long term policy for sugar and sugarcane Government have decided that science and technology will be pressed into service to increase productivity and raise the sucrose content of sugarcane, apart from modernisation and expansion of capacity for production of sugar. Groups of experts of different relevant disciplines will be set up to formulate suitable Plans in this regard. The question of economic size of sugar factory under the present conditions will also be determined. Government agree that preference will have to be given to the expansion of uneconomic units.

3. When granting licences for new sugar factories or for expansion of existing units, the prime consideration is the availability of adequate sugarcane, actual or potential. Care will be taken to see that as far as possible, every region in the country is fairly self-sufficient in sugar, to avoid cross movement of sugar.

4. The increase in sugarcane production can come both from increase in area and the increase in per acre yield in the existing areas. As the area is necessarily limited there is a strong case for increasing the per acre yield of sugarcane. Both intensive and extensive cultivation of sugarcane is proposed to be taken up as a part of the long term policy of Government.

5. The sugarcane acreage in the country follows a cycle within limits. However, there is a steady increase in the sugarcane acreage in the country, as the trough of each successive cycle is at a higher level.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated, 28th November, 1972].

Comments of the Committee

The Committee would like to be informed about the specific measures taken in regard to proposals contained in paragraphs 2, 3 and 4 of the aforementioned reply.

Recommendation (S. No. 4 Para 1.20)

The Committee also feel that a proper Technical examination of each application for a new unit and for expansion of the capacity of an existing unit is called for and for this purpose the feasibility of well equipped Cell for consultancy service is necessary. The Committee need hardly stress that continuous attention should be paid to modernisation of sugar mills in the interest of efficiency and reduction in the cost of production.

Reply of Government

The establishment of a well equipped Cell for consultancy service, in the Ministry as recommended by the Estimates Committee, will be considered by Government.

2. Modernisation of sugar mills is essential for greater efficiency and reduction in the cost of production. The Gundu Rao Committee on Rehabilitation and Modernisation had estimated the requirements at Rs. 90 crores and had suggested the creation of a revolving fund, with contribution from Government and the sugar factories. The proposal was not accepted by Government due to the high cost involved. However, the matter is being considered in view of the urgent need for modernisation of old sugar machinery for increasing sugar production, reducing the cost of sugar and for establishing the sugar industry in the affected areas.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated, 28th November, 1972].

Recommendations (S. No. 5 Para No. 1.36)

The Committee feel that the sugar was actually produced in the fields and the factories only extracted it. The real producers of sugar were the cane growers. The cane crop was a longterm commitment for the grower who in all fairness deserved a remunerative return for his produce. In years of short cane crop, there is invariably large scale diversion of cane from sugar factory areas to

gur and khandsaries who offer higher cane prices resulting in low production of sugar. The Committee note that while prices of every commodity have arisen, the sugarcane price continues to remain the same. The Tariff Commission (1959), the Sen Commission (1965) and the Talwar Committee (1970) examined the question of premium in depth and all have come to the same conclusion that the premium for better recoveries should be fixed on the basis of proportionately and that the Government of India have not accepted this principle. They also note that the decline in the total sugarcane area is 3.9 per cent but the area near the sugar factories is 7 per cent. Besides, there was also increased incidence of pests in some sugarcane areas. With a view, therefore, to maintain steady production of sugar, the Committee feel that it is essential that the factories get sufficient supply of cane to produce the necessary quantity of sugar which is possible only when the cane grower gets a remunerative price of his cane.

Reply of Government

The Government accept this recommendation. Recently, the minimum price for sugarcane for 1972-73 has been fixed at Rs. 8 per quintal linked to a recovery of 8.5 per cent with a premium of 9.4 paise for every 0.1 per cent increase in recovery over 8.5 per cent in accordance with the principle of full proportionality. This minimum cane price is definitely an improvement over the existing minimum cane price of Rs. 7.37 per quintal linked to a recovery of 9.4 per cent with a premium of 8.6 paise for every 0.1 per cent increase recovery over 9.4 per cent. As the Government have also to ensure that there is a balance between the price of sugarcane and the prices of other agricultural commodities, the basic minimum price of sugarcane could not be fixed still higher. However, in periods of shortage of sugar as now existing the basic minimum price fixed by the Government will only be a notional price, and the industry may have to pay still higher prices for sugarcane in actual practice from out of its extra realisations from the sale of 30 per cent of the production of sugar allowed to be sold in the free sale market.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated, 28th November, 1972].

Recommendation (Serial No. 6 Para 1.37)

The Committee are convinced that the internal demand of sugar is going to be quite high in times to come and, therefore, it is imperative that a realistic assessment is made of both the internal and the export requirements of sugar and in the light thereof plan targets are fixed.

Reply of Government

The Government accept this recommendation. The targets for sugar production in the 5th Plan are being worked out, taking into account all relevant factors, such as the rise in population, increase in per capita consumption due to urbanisation, increase in the standard of living and other factors.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 110112/72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 7 Para 1.38)

In regard to distribution of sugar, the Committee would like to recommend that every possible step should be taken to see that sugar reaches, in adequate quantity and in time, the remotest corners of the country in villages by ensuring monthly releases in time and availability of wagons etc., and that it is available at all places at reasonable prices.

Reply of Government

The voluntary distribution scheme of fair price sugar, remained in operation from 1-1-1972 to 30-6-1972. The Department of Food were then releasing a total quantity of 3.25 lakh tonnes of sugar every month. For the month of January and February, the factories made available 60 per cent of the monthly released quantity at a fixed ex-factory price of Rs. 150 per quintal and the balance 40 per cent was allowed to be sold by them in free market. From March onward the industry also agreed to make available 3.5 per cent of the released quantity at the fixed price of Rs. 150 for meeting the export requirements in addition to 60 per cent for internal consumption. Thus, the percentage of fair price sugar in the monthly released quantity increased to 63.5 and the percentage of free sale sugar was curtailed to 36.5. Under the statutory partial control, which came into force from 1-7-1972, the percentages of levy and free sale

sugar in the monthly released quantity are being continued at the same level. However, the quantum of release which remained at 3.25 lakh tonnes for July was reduced to 3 lakh tonnes for August in view of the limited availability of sugar. Under statutory partial control separate orders for levy, free sale and gate sale are issued with validity for one calendar month.

2. The Press-note announcing the monthly release of sugar is normally being issued by the end of the first week of the preceding month. In the case of July release, however, the announcement was made on the 15th June on account of the change in the sugar policy which resulted in replacing the voluntary distribution scheme by statutory partial control w.e.f., 1-7-1972. All the State Governments/Union Territories are informed about the factory-wise break-up of their monthly quotas between the 7th and 10th of the preceding month as far as possible. However, for the month of July, this intimation was sent on the 19th June due to the change in policy as stated above, while for the month of August it could be sent on 12th July as the question of curtailment of the State Governments' quotas had to be considered. The States in the eastern region viz., West Bengal, Assam, Manipur, Meghalaya, Nagaland, Tripura, etc., in whose case postal delays are apprehended, are informed telegraphically about the monthly quota and its factory-wise break-up. Moreover, the local offices of the State Governments which have telex arrangement are also furnished with the information and requested to communicate the same to their respective States by Telex. This enables the State Governments to know the detailed factory-wise break-up of their quotas for a particular month by about 10th of the preceding month and gives them ample time (almost 3 weeks) to complete the arrangement for the allocation of sugar among different nominees through the District authorities and arrange for the lifting of the sugar from the factories from the 1st of the next month.

3. Levy allotment orders as well as free sale orders are issued to the factories in time, so that these may reach them well in advance of the commencement of the validity period. The Director (Movement) of the Department of Food is also simultaneously informed about the State-wise break-up of the levy sugar quota allotted to each factory to enable issue suitably instructions to all railways concerned for arranging timely and adequate wagon supply to the factories. For expeditiously movement of fair price/levy sugar, it was decided to accord priority 'C' for movement by rail, whereas the

despatch of free sale sugar by rail is permitted under priority 'D'. Copies of the levy allotment orders are also endorsed to the Station Master concerned for arranging the movement of levy sugar under priority 'C'. Whenever an intimation is received either from the State Governments or the factories regarding any difficulty in getting wagons, the matter is immediately taken up with the Director (Movement) of this Department for issuing suitably instructions to the railway authorities concerned to arrange adequate supply of wagons for the despatch of levy sugar to the consuming centres during the validity period of the release orders.

4. It may be added that, though the Central Government allots monthly quotas of levy sugar to the various States, the system and the scale of distribution of sugar to the public through fair price shops have been left to be decided by the State Governments taking into consideration the local conditions and customs. The State Governments have, however, been advised that the scale of distribution of fair price/levy sugar should be such that nowhere it is more than 1 Kg. per head per month and less than 1 Kg. per family per month. According to the information received from the State Governments, sugar is distributed in urban areas against ration cards/family cards issued by the competent authorities of the State concerned, whereas in the rural areas the distribution is done through the co-operative societies or Panchayats, who issue sugar against Identity Cards duly certified by the Panchayats through Panchies.

5. On account of timely releases of sugar by the Directorate and expeditious distribution thereof by the State Governments among their nominees, it has been possible to arrange for the lifting of substantial portion of the released quantity from the factories by the nominees of the State Governments during the validity period of the allotment orders. From the information furnished by the factories regarding despatches against the monthly levy quotas allotted to the State Governments for March to June 1972, it is found that the percentage of lapses to the monthly allotments are very small and range from about 3.5 to 5.5 per cent. It may be added that these lapsed quantities are subsequently re-allotted to State Governments on receipt of request from them.

6. As regards the price, under voluntary distribution scheme, factories were delivering the fair price sugar at Rs. 150 per quintal for D-30 grade, exclusive of excise duty. In most places consumers were getting sugar through fair price shops under the voluntary distribution scheme at about Rs. 2 per Kg., though in Delhi the Octroi

duty being higher they are getting levy sugar at about Rs. 2.10 per Kg. Under the statutory partial control which came into force on 1-7-1972, factories are required to deliver the levy sugar at the notified prices.

7. Some factories in Mysore, Andhra Pradesh, Uttar Pradesh, Punjab, Bihar and Gujarat have recently filed writ petitions challenging the prices fixed for sugar produced in 1971-72 and obtained interim orders from Courts permitting them to sell the levy sugar at prices higher than those notified by the Central Government. This has resulted in pushing up the prices of levy sugar and consequently consumers will have to pay somewhat higher prices for the sugar being distributed through fair price shops. This is, however, a temporary phase and prices will stabilise as soon as final orders are passed by the Courts on the writ petition.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 11011|2|72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 8, Para No. 1.39)

The Committee have noted that big farms in certain States have been taken over by State Governments and that they are still maintained in tact and have not been broken up and are still growing sugarcane. The Committee hope that with the imposition of land ceilings, in some States, it would be ensured that there is no decline in sugarcane production.

Reply of Government

All the State Governments have been apprised of this recommendation and requested to take necessary action accordingly.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 11011|2|72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 9, Para No. 1.40)

The Committee note that both the Sugar Enquiry Commission (1964) and the Tariff Commission (1969) suggested the possibility of extending the idea of buffer stock to gur also. The Tariff Commission observed that Government should start purchasing gur when its price falls below the floor price. It has not been found feasible for Government to implement any scheme for fixation of support

price for gur and operation of its buffer stock, as it has not been possible to evolve a cheap and effective method for storage of gur without deterioration. The Committee suggest that National Sugar Institute, Kanpur should intensify its experiments in order to evolve a suitable technique for storing gur without its suffering any deterioration during storage.

Reply of Government

Some research work was taken up at the National Sugar Institute in July, 1971 in connection with the evolution of an economical and improved method for the storage of gur in large quantities without deterioration but the results obtained were not conclusive. The formulation of a detailed scheme for carrying out investigations in this regard is under consideration.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 11011|2|72-Estt. dated 28th November, 1972].

Recommendations (Serial No. 10, Para No. 1.59)

The Committee feel that the price of sugar cannot be considered in isolation but has naturally to be linked with its cost of production and the general price trend of other commodities in the country. They agree with the view, that there is dissatisfaction amongst the canegrowers as they are not getting proper return commensurate with the high investment made in the cultivation of sugarcane. As a result, the land is diverted from cane to other crops. Besides, the regular supply of cane to the sugar factories is also affected because of higher price of cane being paid by the gur and khandsaris. The Committee note the Government's contention that if the minimum price of sugarcane is raised, it will set up a spiral of higher prices not only in sugar but in other commodities also, but they nevertheless feel, to keep stability in the sugar economy, Government should fix a remunerative price for the sugarcane which only would guard against diversion of area under sugarcane to other crops thereby removing the grievance of the grower that he has been getting a raw deal.

Reply of Government

The Government have noted the observations made by the Committee, and have notified a higher statutory minimum price for sugarcane during 1972-73.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 11011|2|72-Estt. dated 26th November, 1972].

Recommendation (Serial No. 11, Para No. 1.60)

The Committee fail to understand as to why Government have not been able to collect data in spite of the recommendation made by the Committee in this connection in para 19 of their Hundred and Twenty-seventh Report (Second Lok Sabha) to the effect that an assessment of the cost of production of sugarcane should be made early in order to fix the minimum price of sugarcane to be paid to the producers which was accepted also by the Government. They fail to understand as to how in the absence of any reliable data the Government have been, so far, fixing the minimum price of sugarcane. The Committee, however, note that Government have since launched a scheme to collect such a data which is expected to be available in about a year's time.

Reply of Government

The Government regret the delay pointed out by the Estimates Committee. A comprehensive scheme has been launched by the Government of India, in 1970-71 with a view to collecting data on the cost of cultivation/production of principal crops in different States on a continuous basis so as to facilitate the formulation of price policy and it is being progressively extended. Under the scheme, studies of cost of cultivation of different principal crops would be taken up by rotation for a period of one year followed by study of a sub-sample in the following years. Wheat, paddy, millet and groundnut have been taken up for study during 1971-72 and 1972-73. A detailed study of the cost of cultivation of sugarcane will be undertaken in the States of Maharashtra, Tamil Nadu, Punjab and Uttar Pradesh during the 1973-74 crop season. Because of the special nature of sugarcane crop which is a perennial one, and for which the sowing starts much earlier than the crop season, arrangements are being made to start the collection of data even before the start of the crop year 1973-74. In the meantime, the minimum price of sugarcane will continue to be fixed on the recommendation of the Agricultural Prices Commission, the Governments of the principal cane producing states, representative association of cane growers and sugar industry as hitherto.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H 11011|2|72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 12, Para No. 1.61)

The Committee would also like Government to examine the suggestion to make coordinated arrangements for the supply of sugarcane in a particular area both for the purpose of 'gur and khand-sari' and 'sugar' whereby fluctuations in regard to the price of sugarcane from year to year resulting in large production in a particular year followed by less production in next year could be avoided.

Reply of Government

The State Governments are at present reserving areas under sugarcane to ensure its adequate supply to the Sugar factories. However, the question of diversion of cane to manufacture of gur and khand-sari in competition with sugar still poses a problem for the industry particularly during periods of short production of cane. As explained in reply to the Committee's recommendation No. 10, the Sugar Industry Enquiry Commission appointed by the Government of India in September, 1971 is *inter-alia* required to study the problem of large fluctuations in sugarcane production and its processing into gur, khand-sari and sugar and to make suggestions for securing stable conditions with a view to achieving a balanced development in these fields.

An interim report on sugarcane price policy and stabilisation of cane supplies to sugar factories has been submitted by the Commission on the 28th August, 1972, and is, under the examination of the Government.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, Office Memorandum No. H.11011/2/72-Estt., dated 28th November, 1972].

Recommendations (S. Nos. 13 and 14, Paras 1.62 and 1.63)

As regards the arrears of cane prices the Committee agree with the view that it is highly deplorable that there should be any arrears of payment of cane prices, at all. They do not see any reason as to why when a raw material is purchased, its price should not be paid promptly. They would like to recommend that some deterrent action should be taken against the defaulting factories to save the interests of the poor cane-growers.

The Committee note that an arrangement has now been made with the Reserve Bank of India of maintaining a separate account when they make advances to sugar factories for sugarcane only, which is to be utilised for the purchase of sugarcane. Government

may ensure that the progress of payment to the sugarcane growers is watched by the banks from week to week during the crushing season and twice a month during the rest of the season so that the arrears do not accumulate. Some States have also taken measures for recovery of sugarcane arrears as recovery of land revenue but the State Governments are not very rigidly enforcing it. The Committee would like Government of India to ensure that these measures are enforced rigidly so that the present arrears are liquidated early and there are no arrears in future.

Reply of Government

The Government agree substantially with the observations of the Estimates Committee. A close watch is being kept on the payment of the cane arrears by the defaulting factories. As a result of the various measures taken by the Government as already intimated to the Estimates Committee, the arrears for 1971-72 season as on 31st August, 1972 were brought down to 1.2 per cent of the total cane price due as against 7.2 per cent of arrears on the corresponding date of the previous season. The Central Government have addressed the State Governments which had no provision in their statutes for recovery of arrears of sugarcane price as arrears of land revenue to make the necessary provision. The Governments of Mysore, Tamilnadu, Pondicherry and Maharashtra have informed that enactment of a suitable statutory provision is under their consideration.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 15, Para No. 1.64)

They also recommend that the difficulty of factories in getting loans from Banks against their sugar stocks may also be looked into so that they are in a position to meet at least their liabilities of cane growers and factory workers promptly.

Reply of Government

The Reserve Bank of India have issued instructions in April, 1972 to all scheduled commercial banks that in the case of stocks of sugar earmarked for controlled distribution by the Government, the margin on such stocks should be the same as obtaining prior to decontrol of sugar on 25th May, 1971 (i.e. 10 per cent) and that in the case of stocks of free sale sugar the minimum margin should not be less than that applicable on 23rd September, 1971 (i.e., 20 per cent).

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendations (S. Nos. 18 and 19, Paras 1.81 & 1.82)

The Committee note that licences to 11 industrial undertakings for the manufacture of paper etc. had been issued and all of them had to be revoked later on as none of them could establish the factory for the manufacture of paper based on bagasse. The Committee would like Government to find out the causes for this failure so that some remedial measures could be taken to help the industries to manufacture paper, etc., from bagasse.

The Committee hope that the Sangli Cooperative Sugar Factory who have recently been given licence for manufacture of newsprint and paper from bagasse would succeed in establishing the venture and that their example would be emulated by others. The Committee would like Government to encourage manufacture of paper out of bagasse for it would solve two problems, namely, paucity of paper and putting the discarded bagasse to productive use.

Reply of Government

The Government have noted the recommendations of the Estimates Committee and will strive their utmost to implement them. The reasons for paper mills based on bagasse not coming up so far are two fold, viz. (i) the reluctance of the sugar factories (a) to switch over to the use of alternate fuel like coal and furnace oil either because of its non-availability inadequate quantity on assured basis in the case of coal or because of its high cost in the case of furnace oil arising out of the higher incidence of excise duty and (b), to modify the existing boilers, entailing heavy expenditure, to make them suitable for using other fuels; and (ii) the paper industry being capital intensive, it was not in a position to attract fresh capital for investment, particularly as the paper prices have been pegged at the level prevailing in 1962 in spite of its costs of production having increased.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (S. No. 20, Para No. 1.85)

1.85. The Committee would like the National Sugar Institute, Kanpur to undertake intensive research to help the sugar industry to make better use of the Press-mud in manufacturing high quality cane wax which could be put in the market on commercial basis on a competitive price.

Reply of Government

The National Sugar Institute, Kanpur has already carried out some work on the extraction of cane wax from the press mud on laboratory scale and is now arranging to carry out trials with a pilot-plant under installation. It is estimated that potential exists for producing about 10 to 15 tonnes of refined wax from the press-mud of the sugar factories.

The refined wax can be utilised for various industrial end-uses, such as the manufacture of leather and metal polishes, production of formulations for food preservations, wax-papers, cosmetics etc. The cost of production of refined wax may be roughly Rs. 10 to 12 per Kg.

The sugar industry is also being advised to conduct studies on the preparation of cane wax from press-mud, so that this by-product can be fully utilised.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (S. No. 21, Para No. 1.96)

The Committee agree with the view that all the sugar importing countries viz., U.S.A., U.K., Canada and Japan are highly developed and would not like to make irregular purchases from countries which are not regular and dependable suppliers. As such, India should take all possible steps to maintain its exports and to the extent possible increase the exports in the long term interests of the sugarcane growers and sugar industry. The International Sugar Agreement is valid up to 1973 and efforts to get an increase in India's Basic Export Quota should be made from now onwards. The Committee also note that with the decision of Britain to join the E.E.C. next year the quantum of India's exports to E.E.C. would be a matter of fresh negotiation and agreement with the enlarged community in the light of assurances given by them to Developing Commonwealth Sugar Exporting Countries, and hope that it would be possible to secure through persistent efforts as large a quota as possible for export of sugar from India.

Reply of Government

The Government agree that all possible steps should be taken not only to maintain, but to increase our exports of sugar to the extent possible, in the long term interests of sugarcane growers and sugar

industry of the country. Accordingly, the Government propose to make serious efforts to increase the Basic Export Quota under the I.S.A. and the export quota to the E.E.C., after Britain joins the E.E.C. to the extent the production of sugar and its consumption in the country would allow.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 22, Para No. 1.101)

1.101. The Committee note that the National Sugar Institute, Kanpur is functioning as a research institute at national level. As the sugar Industry feels that a similar Institute in the South will be beneficial, Government may consider the feasibility of opening a research institute in the South or at least help the Cooperative Sector to set up such an Institution.

Reply of Government

The Government do not consider it feasible to set up a research Institute in the South for Sugar Industry, due to paucity of funds. Efforts are being made to persuade the Industry to do so, with the assistance available under a scheme of the Council of Scientific and Industrial Research.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 23, Para No. 1.110)

1.110. The Committee agree with the view that irrigation plays a very important part in the production of sugarcane but it is beyond the reach of the poor grower and that this vital facility has to be and should be provided by the State Governments concerned. The Committee regret to note that practically all the State Governments collect money by way of tax on sugar and sugarcane but do not spend even a fraction of that on the development work of sugarcane. In regard to supervision by the Centre over the sugarcane development work in the States, the Committee note that the Sugarcane Development Directorate in the Ministry of Agriculture is exercising supervision over the activities of the State Agencies but do not appreciate the line of thinking on the part of some State Agencies that taxes on sugar and sugarcane should be treated as yet another source of revenue and not much need be spent by them on sugarcane develop-

ment programmes. They, therefore, strongly urge upon the Government of India to take up this matter at a high level with all the State Governments concerned and persuade them to take interest in the developmental activities of sugarcane which will ultimately be to their own economic advantage and add to them prosperity.

Reply of Government

All the States except Assam, Orissa, Rajasthan and West Bengal are collecting cess/purchase tax on sugarcane and merging the same with their general revenue. The question of utilisation of the cess/purchase tax on sugarcane, for the development of sugarcane, was discussed in the 4th meeting of the Indian Sugarcane Development Council held on the 22nd August, 1970 which recommended that at least 50 per cent of the total collections from cane cess/purchase tax, be spent by the States on sugarcane development. Accordingly, the State Governments were requested to implement the recommendation. The subject was also discussed in the 5th meeting of the Indian Sugarcane Development Council held on the 5th July, 1971. The matter is being pursued with the State Governments, and is again likely to be discussed in the next meeting of the Indian Sugarcane Development Council expected to be held in September, 1972.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Estt. dated 28th November, 1972].

Recommendation (Serial No. 24, Para No. 1.111)

1.111. The Committee are of the view that the most effective way of tackling the chronic problem of sugar factories in U.P., Haryana, Punjab, Bihar etc. is to develop and encourage cultivation of sugarcane of improved varieties which is high yielding and is disease resistant. The Committee would like Indian Council of Agricultural Research, the Sugarcane growing Research Institute, the State Agricultural Departments, and Agricultural Universities concerned to redouble their efforts to develop the requisite variety without delay and after extensive field trials publicise the results and make available rates to sugar-cane growers in the interest of stepping up sugar production and fetching higher prices for sugarcane growers. They also suggest that Government may consider the feasibility of establishing a sugarcane breeding Centre for Northern India on the pattern of the research Centre at Coimbatore.

Reply of Government

The main difficulty in developing the quality and the yield of sugarcane cultivation in the factory areas is not the want of suitable varieties, but the non-adoption of improved field technology and the recommended packages of practices on the part of the cane growers. The research undertaken in the Sugarcane Breeding Institutes at Coimbatore and Pusa (Bihar) has, enabled the evolution of a large number of good varieties to suit the various regions. It has, however, not been possible to sustain any variety for a long-period, as it was prone to attack by fungi and viruses. The process of evolving new disease resistant varieties is, therefore, a continuous one. The Indian Council of Agricultural Research has taken up this work on an intensive basis under their All India Coordinated Sugarcane Improvement Project in collaboration with the Agricultural Universities and the State Departments of Agriculture.

It has not been found feasible to establish a separate Sugarcane Breeding Centre for the Northern India owing to limitations of climate. The requirements of different regions in the sub-tropical belt are however taken into consideration while the breeding programme at the Sugarcane Breeding Institute, Coimbatore, is formulated, and the seed material required by different States from specific crosses is sent over for trial in the sub-tropical region for selection of the suitable genetic line required for a particular area. The seed requirements of every sugarcane producing region, including those in the sub-tropical belt are thus met.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi Office Memorandum No. H.11011/2/72-Est. dated 28th November, 1972].

Recommendation (Sr. No. 25, Para No. 1.112)

1.112. The Committee note that the Indian Council of Agricultural Research is seized of the problem of organising seed protection programme to eradicate diseases and increase the span of varieties. The Committee feel that expeditious action in this regard is called for as the production of cane cannot increase without healthy seed of improved and lasting varieties.

Reply of Government

A proposal for implementing a three-tier-seed programme for control of the seed borne diseases of sugarcane is under consideration. This project which is estimated to cost about Rs. 24.00 lakhs during the Fourth Plan period envisages three stages of seed pro-

duction: the foundation seed (1st year), certified seed (2nd year) and commercial seed (third year). The foundation seed will be produced by the Research Institute under the Indian Council of Agricultural Research while the other two stages will be looked after by State Agricultural Departments|Agricultural Universities. It is estimated that from 10 hectares of foundation seed, thousand hectares of commercial seed will be available for distribution at the end of the third year. This seed material will meet the demands of seed cane for planting in 10 thousand hectares.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011/2/72-Estt, dated 28th November, 1972].

Recommendation (S. No. 26, Para No. 1.113)

1.113. The Committee also note that in respect of good varieties, the availability of seed is limited. The Committee feel that it should be ensured that there are adequate number of seed nurseries near about sugarcane fields for supplying disease-free and nutrient-rich seed to the growers.

Reply of Government

The State Governments have been apprised of this recommendation and requested to take necessary action accordingly.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011/2/72-Estt, dated 28th November, 1972].

Recommendation (Sr. No. 27, Para No. 1.114)

1.114. The Committee would also like Government to examine as to how the poor sugarcane grower can get loan from Banks etc. for purchasing fertilizers, seeds etc. in time and in sufficient quantity.

Reply of Government

On the advice of the Indian Sugarcane Development Council, the State Governments were requested to examine the possibility of the factories standing surety in respect of the advances made by commercial banks to the cane growers, and to consider making a specific provision in their Sugarcane Supply and Regulation Act to enable the factories to deduct the amount of loan from the price of cane supplied to them as is the practice in Andhra Pradesh. The State Governments have since initiated or are initiating necessary action in this regard.

The matter is being pursued, by the Directorate of Sugarcane Development.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011|2|72-Estt, dated 28th November, 1972].

Recommendation (S. No. 28, Para No. 1.118)

1.118. The Committee note that sugar beet cultivation has been taken up in the Ganganagar Sugar Factory area in 1970-71 and that it will be processed for the first time in April-May, 1972. They hope that with the experiment a new avenue will be opened to provide additional raw material to the factories to produce more sugar. The Committee would like Government to keenly watch the result of experiment and if it is found viable and successful, to encourage cultivation of beet on a large scale in the vicinity of sugarcane factories.

Reply of Government

Sugar beet cultivation in the Ganganagar Sugar factory area was continued during the year 1971-72, but due to Indo-Pakistan conflict in December, 1971, proper irrigation and care could not be ensured. The sugar beet produced during this year was enough only for 14 days. It would, therefore, be necessary to watch the performance of beet cultivation during 1972-73 season before drawing any reliable conclusion in respect of the viability or otherwise of sugar beet cultivation on a large scale in the vicinity of sugarcane factories. However, the results of cultivation and processing of sugar beet in the Ganganagar sugar mill will be kept in view while deciding to introduce beet cultivation in other North-Western States.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011|2|72-Estt, dated 28th November, 1972].

Recommendation (Sr. No. 29, Para No. 1.121)

1.121. The Committee are unhappy to note that pests and diseases continue to cause damage to the cane crops resulting in lower recovery and also loss of crop in many cases. They would like the Government to impress upon the Indian Council of Agricultural Research, the Agricultural Universities and the National Laboratories to allow high priority and intensify their research in order to evolve measures to check this menacing problem. The Committee would like Government to take effective measures to ensure that sugarcane seeds which are susceptible to disease are not transferred from one affected area or State to another.

Reply of Government

The Indian Council of Agricultural Research is already seized of the problem. Its proposal for implementation of a three-tier-seed programme for control of the seed borne diseases of sugarcane is already under consideration of Government. Besides, the Council is preparing an integrated plan for control of pests using agronomic, biological and chemical methods so that the problem of environmental pollution arising out of chemical control measures will be reduced to a minimum level.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011|2|72-Estt, dated 28th November, 1972].

Recommendation (S. No. 30, Para 1.124)

1.124. The Committee note the various natural causes for the dislocation of railway traffic and the remedial measures that are taken by the Railways to remove them. They need, however, hardly stress the necessity of making sufficient number of wagons available in time for the movement of sugar from the producing areas to far flung areas all over the country so that the sugar is available on assured basis in all parts of the country.

Reply of Government

With a view to making sugar available at all places in time for distribution to the public at fair price, the Ministry of Railways at our request upgraded the movement of fair price/levy sugar *w.e.f.* 15-1-1972. Previously both fair price and free sale sugar were moving in item 'C' of the Preferential Traffic Schedule. Since 15-1-1972 fair price/levy sugar is being moved in item 'C' while free sale sugar is moved in item 'D' of the preferential Traffic Schedule.

2. The Directorate of Sugar and Vanaspati is intimating the factory-wise break-up of the monthly quotas to the State Governments about 20 days in advance, and levy allotment orders are being posted to the factories about 15 days in advance. The copies of these allotment orders are also endorsed to the Station Masters concerned. These details are being simultaneously intimated to the Movement Directorate of this Department, who in turn communicate the movement programme for levy sugar to the concerned Zonal Railways in time even upto the level of Station Masters, so that there is no delay in the commencement of movement. The State Governments are also being advised from time to time to ensure that delays in sub-allotment of the quotas to the nominees and in mak-

ing financial arrangements by the State nominees with the concerned sugar factories are eliminated, so that indents for wagons are placed by the sugar factories in such a manner as would give the railway reasonable time to expedite clearance of sugar traffic within the validity period of the allotment orders. Whenever information about any bottleneck in rail movement experienced by the factories is received in the Directorate of Sugar and Vanaspati, the Director (Movement) of this Department is immediately requested to arrange for necessary assistance through the zonal railways and the Ministry of Railways (Railway Board) for the expeditious movement of sugar.

Sugar is a high rated commodity. The Railways are, therefore, interested in moving the maximum possible quantity of sugar in spite of difficulties at the transshipment (break of gauge) points. The Director (Movement) of the Department of Food is bringing the recommendations made by the Estimates Committee to the notice of the Ministry of Railways (Railway Board) and the General Managers of the Zonal Railways with a request that the movement of sugar (levy and free sale) may be arranged promptly by the Railways, so that sugar is available on assured basis in all parts of the country.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011|2|72-Estt, dated 28th November, 1972].

Recommendations (Sr. Nos. 31 and 32, Paras 1.131 and 1.132)

1.131. The Committee are perturbed to note that in some cases in eastern India trains are held up and wagons looted and in many cases the wagon panels have been cut. This has been particularly so in respect of foodgrains, sugar and other bagged consignments. The situation regarding the number of claims paid by the individual Zonal Railways during 1970-71 on account of thefts and pilferages of sugar consignments is 14,612, the amount claimed in sugar claims pending on 1st November, 1971 is Rs. 78,30,019. The total freight earnings and amount of compensation paid in respect of sugar during 1970-71 is Rs. 7,14,70,000 and Rs. 1,05,64,000, respectively which indicates a very unsatisfactory situation.

1.132. The Committee while noting that the Railways have already taken some measures to minimise thefts and pilferages in transit, would strongly urge upon Government to take some drastic measures to check such incidents specially in the Eastern, South Eastern, Western and North East Frontier Railways where the amount of claims is very high.

Reply of Government

The Railways are alive to the problem of thefts and pilferages of sugar, foodgrains and other bagged consignments. Steps have been taken to combat this problem by intensifying the security arrangements and by escorting of trains by armed Railway Protection Force personnel over vulnerable sections. The highest incidence of claims on sugar traffic is in respect of wagons received at Kantapur on the Calcutta Port Commissioner's Railway and on oilseeds traffic at Chitpur (Calcutta) on the Eastern Railway. As a result of the preventive measures recently taken by the Eastern Railway, the extent of pilferage per wagon has come down considerably as will be seen from the figures given below:—

Month	Sugar at Kantapur Average shortage per wagon (in Kilograms)		Oil Seeds at Chitpur Average shortage per wagon (in Kilograms)	
	1971	1972	1971	1972
February	585.9	219.5	778	240
March	397.9	242.1	657	46.2
April	487.9	206.0	794	77.4

The Railways have been asked to conduct special studies in the causes of thefts and pilferage and take appropriate preventive measures.

It has to be appreciated that thefts and pilferage constitute a law and order problem to tackle which, active assistance and cooperation of the State Governments are required. Recently, at the instance of the Minister for Railways, Joint Committees comprising Senior Officers of the State Governments, Zonal Railways and representatives of Railway Trade Unions have been formed at the State level to go into the problem and devise ways and means to check thefts and pilferages. Likewise joint committees comprising of officers and workers have been set up at important goods sheds, transshipment sheds, etc., for enlisting the cooperation of the staff in combating the problem.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H 11011/2/72-Estt, dated 28th November, 1972].

Recommendation (S. No. 33, Para No. 1.37)

The Committee agree with the view that the non-availability of steel affected the installation of new sugar factories as well as expansion of the existing capacity which ultimately affected the production of sugar for internal consumption as well as for export pur-

poses. The Committee would like Government to ensure that genuine requirements for manufacture of sugar machinery as per Plan commitments are met in time and in full.

Reply of Government

It is true that the non-availability of steel for the sugar machinery manufacturers as well as the new sugar factories in adequate quantities has been one of the main reasons for the delay in the fulfilment of the licensed capacity in the sugar industry.

2. There is a general shortage of steel in the country. It is being overcome by improving the production by technological improvements, by ensuring, better industrial relations, better maintenance etc. At the same time, a fairly liberal import policy is being followed by the Government, particularly in respect of those categories of steel, which are in short supply. The question of according a higher priority for the sugar industry in the matter of allotment of steel, is also under consideration. Every effort will be made by the Government to ensure that the genuine requirements of steel for the sugar industry are met within the limits of the overall availability.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H.11011|2|72-Estt, dated 28th November, 1972].

Recommendation (Serial No. 34, Para No. 1.139)

The Committee hope that the Government will ensure that in future sugar factories would, in the first instance, not charge more than the authorised amount as earnest money.

Reply of Government

With the imposition of statutory partial control on sugar with effect from the 1st July, 1972, it has been stipulated by a notification issued under the Sugar (Control) Order that no producer of sugar shall demand for receive any amount in excess of Rs. 15 per quintal by way of advance prior to the despatch of the consignment by rail in respect of sugar released for controlled distribution.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated 28th November, 1972].

Recommendation (Serial No. 35, Para No. 1.152)

The Committee note that the future of the sugar industry has been engaging the attention of Members of Parliament who

are anxious that the cane grower should get a remunerative price for his produce, the factories should operate smoothly and the consumer also get sugar at a reasonable price and that to achieve this goal it is imperative that the present uncertainty in this industry must end as early as possible. They also note that Government have not so far formulated any final views in this regard and that they are awaiting the report of the Sugar Industry Enquiry Commission which is looking into all the aspects of this industry including the development and working of the Cooperative Sector. The Committee, however, hope that the report of the Sugar Industry Enquiry Commission would become available to the Government expeditiously to enable them to take early decision in the matter.

Reply of Government

The final report of the Sugar Industry Enquiry Commission is expected to be submitted before the end of February, 1973. Meanwhile, having regard to the imperative need for augmenting the sugar production during the ensuing years, and as a part of a well conceived and properly integrated long range policy to bring about a balance between the supply and demand of sugar, the Government have taken the following important decisions for 1972-73.

(i) The minimum price of sugarcane should be raised to Rs. 8 per quintal linked to a recovery of 8.5 per cent and below with a premium of 9.4 paise per quintal for every 0.1 per cent increase in recovery above 8.5 per cent in accordance with the principle of full proportionality.

(ii) The existing policy of statutory partial control of sugar should continue but the percentage of levy sugar should be increased from 63.5 per cent to 70 per cent (inclusive of export requirements).

(iii) The retail price of levy sugar should be the same throughout the country and it has been fixed at Rs. 2 per kg with effect from 1st October, 1972 to begin with.

As a part of long term objective, it has been decided:—

- (a) to aim at improving sugarcane production both quantitatively and qualitatively;

- (b) to press into service science and technology to increase the productivity and sucrose content in sugarcane.
- (c) to build a sufficient buffer stock of sugar to provide against fluctuations in production.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi O.M. No. H. 11011|2|72-Estt., dated 28th November, 1972].

Recommendation (Serial No. 37, Para No. 2.15)

The Committee note that the Vanaspati is the single largest processed food industry in the country after sugar and that the Sixties have seen the virtual disappearance of public prejudice towards Vanaspati a prejudice common to all substitutes to traditional items.

Reply of Government

The Government have noted the observations of the Estimates Committee.

[Ministry of Agriculture O.M. No. H. 11011|2|-Estt., dated 28th November, 1972].

Recommendation (Serial No. 38, Para No. 2.16)

The Committee, however, are constrained to note that occasional scarcity in the availability of Vanaspati arises and the people are not able to get the requisite quantity at reasonable rates. They, therefore, suggest that Government may examine the reasons for scarcity in detail and formulate a scheme whereby adequate quantity of Vanaspati is available in the market at all time to the consumers.

Reply of Government

There is no real scarcity of vanaspati, as the installed capacity is substantially higher than the demand for the product. Periods of scarcity occur off and on due to the steep fluctuations in the prices of vegetable oils and the unavoidable time lag in narrowing the gap between the oil prices, and the corresponding vanaspati prices, leading to withholding of stocks and other mal-practices. A centralised control on distribution of Vanaspati has been considered but has

not been found possible. However, most of the State Governments have, at the instance of the Central Government promulgated Vanaspati Dealers' Licensing Orders, for ensuring greater control on the vanaspati trade.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 39, Para No. 2.17)

The Committee have received some complaints that the consumers, particularly the weaker sections, who want to purchase Vanaspati in small quantities are not assured of full weight and contamination—and adulteration—free Vanaspati. With a view to protect such consumers from such mal-practices, research should be undertaken to evolve suitable and economical packings of Vanaspati.

Reply of Government

Sale of vanaspati in loose form from bulk containers is specifically intended to meet the requirements of the weaker sections of the community, who cannot afford the high prices of the product marketed in small pack sizes. As regards their obtaining full weight, absence of adulteration etc., these apply to other foodstuffs also. Strict enforcement of the Weights and Measures Act and Prevention of Food Adulteration Act is the most suitable remedy.

The packing of vanaspati in suitable containers, whether tin or high density polythene, have a minimum escapable additional cost. The cost of plastic containers may be reduced to some extent, with larger production and use of containers, provided the demand for them also increases.

[Ministry of Agriculture O.M. No. H 11011/2/72-Estt. dated 28th Nov. 1972].

Recommendation (Sr. No. 40, para No. 2.40)

The Committee agree with the view that oilseeds production has not kept pace with the increase in demand and there was a shortage of 2 lakh tonnes of oil and that the industrial demand for this commodity has been rising as the production of vanaspati, soap etc. is steadily increasing. With growing self-sufficiency of cereals, demand for supplementary foods like fats is expected to rise faster in future. They also agree with the view that oilseeds have been no agronomic break-through and it had been a retarding factor in the growth of oil production.

Reply of Government

The Government have noted the observations of the Estimates Committee.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 41 Para No. 2.41)

The Committee note that in view of the shortage of oilseeds and oils, their exports have been restricted by Government for the past several years. During 1970-71 exports of groundnut oil, raw and refined, were allowed within the combined ceiling of 200 tonnes which is stated to be a negligible figure having regard to the fact that in 1963-64, our exports of this oil had touched nearly 1 lakh tonnes. The Committee also note that as a long-term solution to this problem, efforts are being made by Government to maximise indigenous production of edible oils, particularly groundnut as also to develop new crops like soyabean, sunflower and oil palm. Steps are also being taken to encourage increased crushing of cottonseed and rice bran, and consumption of the oils so obtained by Vanaspati factories to a larger extent.

Reply of Government

The Government have noted the observations of the Estimates Committee.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 42, Para No. 2.42)

The Committee also note that the use of edible groundnut oil in the manufacture of soap is being actively discouraged and that according to the Directorate General, Technical Development, which is looking after soap industry, this oil is not being used by the organised sector of the soap industry. Efforts are presently being made to step up the production of cottonseed oil at a still faster rate than in the past and to encourage its use in the manufacture of vanaspati at still higher levels than hitherto, so as to do without further imports of soyabean oil supplies of which, from the U.S.A., have in any case been stopped at present.

Reply of Government

The Government have noted the observations of the Estimates Committee.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov. 1972].

Recommendation (Sr. No. 43, Para No. 2.43)

The Committee recommend that a crash programme should be drawn up to have an agronomic break-through in the production of oil seeds and development of new crops like soyabean, sunflower and oil palm. Simultaneously production of cottonseed oil should be stepped up and its use in the manufacture of Vanaspati ensured.

Reply of Government

The Government have noted the recommendations of the Estimates Committee and have in fact already initiated action on those lines. A statement detailing the steps taken in this regard is at Appendix-II.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Serial No. 44, Para No. 2.49)

The Committee note that the Report of the Tariff Commission has been submitted to the Government on the 3rd March, 1971 and the report is under consideration of Government. The Committee feel that Government should not take such a long time to take decision in this regard and they suggest that the decision may be expedited.

Reply of Government

The examination of the Report of the Tariff Commission on the price structure of vanaspati has since been completed and a Resolution setting out the Government's decisions on the main recommendations made therein was published in the Gazette of India on the 27th July, 1972. The delay in finalising a decision on the Tariff Commission's Report was due to its highly complicated nature, involving consultation with other concerned Ministries as well as the Tariff Commission.

[Ministry of Agriculture O.M. No. H. 11011|2|72-Estt. dated 28th Nov., 1972].

Recommendation (Serial No. 45, Para No. 2.54)

The Committee note that India has been virtually cut off from the export market ever since July, 1964 when exports were banned and later allowed on restricted basis in the context of the oil shortage

prevailing in the country and that during this period capacity|additional capacity is understood to have been built up in many of the importing countries. The Committee would, however, like Government to examine this matter in a greater detail so as to export more Vanaspati, with a view to utilise fully the existing capacity of the factories producing Vanaspati.

Reply of Government

The export of vanaspati on the average is only about one to two hundred tonnes per year, and that too, involving subsidy. The surplus capacity of the industry is about 6 lakh tonnes per year, and even a substantial export performance cannot significantly assist in the full utilisation of the existing capacity of the industry.

The Government would, however, examine the question of increasing the export of vanaspati further.

[Ministry of Agriculture O.M. No. H. 11011|2|72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 46, para 2.61)

The Committee note that for certain oilseeds there had been some break-through in producing hybrid varieties and some research is being made in respect of other oilseeds also. They would, however, like to recommend that concentrated and special effort should be made to achieve the much needed break-through in this field early.

Reply of Government

The Government have noted the recommendations of the Estimates Committee that a concentrated and special effort should be made to achieve a break-through in the production of hybrid varieties of the different oilseeds. The Indian Council of Agricultural Research has already sanctioned projects for intensifying researches on groundnut, rape|mustard, castor, linseed, sesame, sunflower, safflower and niger. These efforts have proved successful, and improved varieties with high-yielding potential and of shorter duration have become available in almost all these crops, particularly castor and rape|mustard and, to some extent, groundnut as well.

[Ministry of Agriculture O.M. No. H. 11011|2|72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 47, para 2.65)

The Committee note that the Ministry of Railways (Railway Board) are trying to persuade the Vanaspati industry to create storage capacity so that they release the wagons immediately on arrival and also to book to consignees by name so that they could be contacted to expedite release of wagons. The Committee suggest that the Ministry of Railways should keep the matter under constant review and augment their tank fleet if the traffic warrants.

Reply of Government

The Government have noted the recommendations of the Estimates Committee and are pursuing the matter with consignors of vegetable oil with a view to ensuring quicker turn-round of wagons. Steps are also being taken for augmenting the tank-wagon fleet.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 49, para No. 2.74)

The Committee note that pursuant to the recommendations of the Expert Committee greater reliance is now being placed on the latent colourisation of Vanaspati with the use of sesame oil, through systematic checking of Vanaspati samples, both at the manufacturer's and market stages. Besides, the provisions of the Prevention of Food Adulteration Act, 1954 have been tightened in 1964 and deterrent punishment is now provided for violation thereof.

Reply of Government

The Government have noted the observations of the Estimates Committee.

[Ministry of Agriculture O.M. No. H. 11011/2/72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 50, para No. 3.5)

The Committee note the views of Government that the merger of the Directorate of Sugar and Vanaspati with the Department of Food may not further speed up the decisions and/or their execution but there could, of course, be a marginal saving of expenditure on house-keeping jobs by such merger. Besides, the Staff Inspection Unit had made a study of the work load *vis-a-vis* staff position in the Directorate in 1964 and the implementation of the recommendations of the Staff Inspection Unit which were implemented in 1965 generally resulted in reduction of the staff strength in different sections of the Directorate. The Committee need hardly

stress the utility and necessity of the work study *vis-a-vis* staff strength afresh to lay down norms and quantum of output of work expected of every person so that there may be some economy, if possible, and improvement in efficiency at various levels.

Reply of Government

A fresh work study to assess the work-load and the staff requirements of the Directorate of Sugar and Vanaspati has already been taken up by the Staff Inspection Unit of the Ministry of Finance.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. 11011/2/72-Estt. dated 28th November, 1972].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

Recommendation (Sr. No. 36, para No. 2.7)

The Committee note that at present there is a large excess in installed capacity in the Vanaspati Industry as compared with actual requirement and according to Government expectation at the end of the Fifth Plan the capacity requirement is expected to rise to the level of the present installed capacity. They feel that if any market survey had been undertaken, this situation could have been avoided and the huge investment made which is now lying in the shape of idle capacity could have been utilised purposefully. The Committee suggest that further licensing should be stopped immediately except in backward areas and proper planning should be done before new capacity is created to meet the future requirements of Vanaspati in the country. They also recommend that vanaspati industry may be encouraged to deversify their idle capacity *inter alia* to produce hardened oil used for manufacture of soap. They would also like Government to have this matter examined by an Expert Committee which may also have representatives of the Directorate General, Technical Development and the Ministry of Industrial Development as to how best the idle capacity could be utilised.

Reply of Government

The Government accept the recommendations of the Committee that further licensing in vanaspati industry should not take place except in backward areas, and that proper planning should be done before new capacity is created to meet the future requirements of vanaspati in the country.

As regards diversification of the existing capacity of vanaspati industry, refined oil and industrial hard oil can be produced by the industry. In the case of industrial hard oil, formal permission for manufacture of such product has to be obtained by the producer before doing so and such permission is being freely given to the factories, subject to certain safeguards for preventing misuse of such product for adulteration of ghee. The Government are also examining proposals to relax the existing safeguards, to some extent.

The Government are of the view that there is no need for setting up an Expert Committee specifically for considering this matter, as the S. & V. Directorate functions in close coordination with the D.G.T.D., regarding the development of oil and oil-based industries.

[Ministry of Agriculture O.M. No. H. 11011|2|72-Estt. dated 28th Nov., 1972].

Recommendation (Sr. No. 48, para 2.71)

The Committee note that steps have already been taken by Government to meet the shortage of tinplates and that the Controller of Steel is having meetings regularly with the producers as well as important consuming sectors to see that the distribution in this regard is reasonably rationalised. They also note that as a matter of general policy, particularly regarding items of shortage, Government allocate material to fabricators, and not to the consumers or customers of the fabricated product. They agree with the view that a solution of the problem would clearly appear to be that more producers of vanaspati become their own fabricators of containers so that the Department of Steel may have no objection to meet their requirements in this regard.

Reply of Government

As the manufacture of tin-containers (unprinted) up to 18-litre capacity has been reserved exclusively for the small-scale sector since 24th February, 1971, large or medium-scale units, including vanaspati factories, cannot ordinarily be permitted to set up plants for fabricating tin containers even for captive use. However, the Government will consider applications for licence received from vanaspati factories on merits.

[Ministry of Agriculture O.M. No. H. 11011|2|72-Estt. dated 28th Nov., 1972].

CHAPTER IV

**RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF
GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE
COMMITTEE**

NIL

CHAPTER V

RECOMMENDATIONS IN RESPECT OF WHICH FINAL REPLIES OF GOVERNMENT ARE STILL AWAITED

Recommendation (Sl. No. 16, Para 1.75)

The Committee are unhappy to note that a valuable by-product like molasses has not received due attention in regard to the storage facilities and fixing of price. They, however, note that the price of molasses has recently been increased by Government from 67 p to Re. 1 per quintal for purposes of industrial as well as potable alcohol. In view of the fact that potable alcohol manufactured from molasses fetches a considerable high price, the Committee suggest that the sale of molasses for industrial alcohol may be fixed at a controlled price and that for potable alcohol may be allowed to be sold at free open market price. They also suggest that the quantum of release of molasses for both these purposes may be fixed at a suitable ratio keeping in view the requirement of alcohol for industrial purposes in the country.

Reply of Government

The suggestions made by the Estimates Committee are being examined in consultation with the State Governments.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H. 11011/2/72-Estt. dated 28th November, 1972].

Recommendation (Sl. No. 17, Para 1.76)

In view of the fact that the Department of Food are responsible for sugar industry as a whole and molasses are only a by-product of sugar processing, the Committee strongly feel that it will be more rational to transfer the control of molasses from the Ministry of Petroleum and Chemicals to the Department of Food.

Reply of the Government

The recommendation of the Estimates Committee has been noted. The matter is under consideration of the Government.

[Ministry of Agriculture (Department of Food), Directorate of Sugar and Vanaspati, New Delhi, O.M. No. H. 11011/2/72-Estt. dated 28th November, 1972].

NEW DELHI—110001.

December 23, 1972.

Pausa 2, 1894 (Saka).

KAMAL NATH TEWARI,

Chairman,

Estimates Committee.

APPENDIX I

(Vide S. No. 1)

Statement made by the Minister of Agriculture on the 29th August, 1972 in Lok Sabha regarding Sugar and Sugarcane Policy

Sir,

In the statement made by my colleague, Prof. Sher Singh, on the 9th August, 1972, he indicated that it should be possible for the Government to announce the new sugar and sugarcane policy for 1972-73 before the session ends. I am now happy to inform the House that, having due regard to the imperative need for augmenting the sugar production during the ensuing years and the need for maintaining a balance between the price of sugarcane and the prices of other agricultural produce, and also keeping in view the recommendations made by the Agricultural Prices Commission, the State Governments and other interested organisations, the Government have decided that the minimum price of sugarcane for the 1972-73 season should be Rs. 8 per quintal linked to a recovery of 8.5 per cent, with a premium of 9.4 paise per quintal for every 0.1 per cent increase in recovery above 8.5 per cent in accordance with the principle of full proportionately.

2. The Government have further decided that the existing policy of statutory partial control of sugar should continue during 1972-73 season but that the percentage of levy sugar should be 70 instead of 63.5 as now. The requirements of sugar for meeting the export commitments during 1972-73 would also be met out of this levy. It has been further decided that the issue price of levy sugar should be the same throughout the country and that a scheme for the pooling of rates should be worked out urgently by the Department of Food.

3. As part of a well-conceived and properly integrated long-range policy to bring about a balance between the supply and demand of sugar within the next few years, the Government would aim at achieving an adequate sugarcane production to meet the requirements of sugar, gur and khandsari manufacturers, and the creation of a sufficient buffer stock of sugar to provide against fluctuations in production. The Government consider that it is essential to plan for a qualitative and quantitative improvement in sugarcane production combined with modernisation and expansion of capacity for production of sugar. The imposition of a small extra Central cess on sugar specifically intended for sugarcane development will be considered. Science and Technology would be pressed into service to increase the productivity and raise the sucrose content in sugarcane. Effective steps would also be considered to make it possible for the factories to crush sugarcane for about 200 days during the year by organizing the necessary research and development effort along with effective extension work.

APPENDIX II

(Vide S. No. 43)

Note on Special efforts being made to increase oilseeds production by Central and State Government during the remaining years of the Fourth Plan.

1. Production targets and strategy

Oilseeds are grown over an annual area of 15.0 million hectares which constitutes about 10 per cent of the total cultivated area in country. There are five major oilseeds and amongst them, groundnut is the most important, occupying an area of 7.3 million hectares. These two crops are followed by sesamum, linseed and castor, their respective areas being 2.6, 1.7 and 0.4 million hectares.

A production target of 10.5 million tonnes of oilseeds has been fixed for the Fourth Plan and in order to achieve the target, the strategy laid down was as follows:—

- (1) Adoption of the package approach in large areas under assured rainfall and irrigated conditions where rapid returns could be obtained.
- (2) Extension of irrigation facilities resulting in maximum returns.
- (3) In view of the limited land resources, emphasis on increasing the production from the existing area by:—
 - (a) Utilising the available land, particularly in project areas, to the maximum extent possible through multiple cropping patterns taking advantage of the short-duration, high-yielding varieties of oilseeds;
 - (b) Replacement of existing varieties of oilseeds with high-yielding varieties responsive to fertilisers and irrigation.
- (4) Adoption of moisture conservation and other dry-farming practices in scarce-rainfall areas with a view to minimise the fluctuations in production of oilseeds in general and groundnut in particular.

- (5) Promotion of the cultivation on non-traditional oilseeds like soyabean and sunflower.

Within the frame work of the strategy laid down, the work of oilseeds development was carried out during 1969-70 to 1971-72 mainly through the implementation of the following schemes:

CENTRALLY-SPONSORED SCHEMES:

- (i) Maximisation of groundnut production.
- (ii) Demonstrations with short-duration, high-yielding varieties of castor.
- (iii) Development of castor in Andhra Pradesh.
- (iv) Demonstrations and mass plant protection on rape-mustard
- (v) Niger demonstrations.
- (vi) Soyabean and sunflower demonstrations.
- (vii) Development of soyabean.

STATE SECTOR:

- (i) Package programmes/Intensive cultivation on groundnut, rape-mustard, sesamum and linseed.
- (ii) Stabilisation of yields of groundnut and rape-mustard in scarce rainfall areas.
- (iii) Double cropping of groundnut, rape-mustard, sesamum and linseed.

II. Progress during 1971-72

Some of the notable achievements during 1971-72 due to the implementation of the above-mentioned schemes are:—

- (i) Extension of package approach over an area of 22.85 lakh hectares of groundnut.
- (ii) Replacement of the long-duration varieties of castor with short-duration high-yielding variety "Aruna" in 22,000 hectares in Andhra Pradesh.
- (iii) Organising mass plant, protection measures over an area of 91,000 hectares.

- (iv) Extension of irrigated groundnut over an area of about 5 lakh hectares.
- (v) Extension of soyabean cultivation over an area of 32,317 hectares.
- (vi) Stabilisation of yields of groundnut in scarce rainfall areas in 339,749 hectares.
- (vii) Extension of sesamum-tobacco rotation in Andhra Pradesh over an area of about 35,000 hectares.

As a result of the efforts made both by Central and State Governments, the oilseeds production has been increased to 91,87 lakh tonnes during 1970-71 as against 68.4 lakh tonnes during 1968-69. The production during 1971-72 is expected to be below the target of 95.0 lakh tonnes because of the unprecedented drought in parts of Andhra Pradesh, Maharashtra and Mysore, which resulted in loss of groundnut crop over a large area. The production of other oilseeds during 1971-72 is expected to be on par with the production level of 1970-71.

III. Outlook for 1972-73 and 1973-74

In the remaining 2 years of the Fourth Plan, the package programme of groundnut is anticipated to cover an area of about 32 lakh hectares. The area under Aruna castor is proposed to be extended to 100,000 hectares and the organisation of mass plant protection campaign against aphid in rape-mustard pursued with greater vigour.

Apart from these, the following special efforts would make a contribution to the growth in production of oilseeds:—

(i) Soyabean:

Under a Centrally-sponsored scheme for soyabean development, which has been implemented in four States, viz., Gujarat, Madhya Pradesh, Maharashtra and Uttar Pradesh since 1971-72, it is programmed to cover an area of 72,000 hectares in 1972-73 and 200,000 hectares by 1973-74 as against the original target of 400,000 hectares.

The difficulties in reaching the target are:

- (i) Non-availability of a suitable variety for inter-cropping in cotton which is the major plank of programme in Maha-

rashtra and Gujarat and mosaic-resistant variety for the northern States.

- (ii) High cost of certified seeds.
- (iii) Problem of low germination of seeds under field conditions.
- (iv) Slow pace of development of the protein-food industry to utilise the protein-rich meal which could help in establishing a remunerative price for soyabean.

The salient features of the scheme are as follows:

1. 100 per cent cost of the staff, provided as per following pattern. in the scheme is met by the Government of India:—

- (i) One Assistant Director (Class-II) for each State.
- (ii) One Agricultural Assistant for every 5,000 hectares.
- (iii) One Fieldman for every 1,000 hectares.

2. 25 per cent subsidy on the cost of improved seed, subject to a maximum of Rs. 60 per quintal for the first year, i.e., 1971-72.

3. 25 per cent subsidy on the cost of plant-protection chemicals and hand operated equipment.

4. Financial assistance to the extent of Rs. 500 per hectare to meet the cost of inputs for demonstrations.

5. Credit to the tune of Rs. 500 per hectare to cover the cost of inputs would be provided for 25 per cent of the area through Government channels and for 75 per cent of the area through co-operative and Commercial Banks.

(ii) *Sunflower*:

Preliminary trials conducted by the Indian Council of Agricultural Research revealed that Russian varieties of sunflower (containing 45-47 per cent oil) imported from Soviet Union can be cultivated successfully in the country, particularly in the southern States where climatic conditions are favourable for the crop being raised throughout the year. These trials were followed up through demonstrations under a Centrally Sponsored Scheme during 1971-72 with the object of gathering supplementary information as to the performance of varieties in different seasons and on different soil types. Based on the results of the demonstrations, the Government of India have sanctioned a Centrally Sponsored Scheme for sunflower development for introducing the sunflower

crop over an area of 160,000 hectares during 1972-73 and 350,000 hectares by 1973-74 in the following States:

State	Coverage target (hectares)	
	1972-73	1973-74
Tamil Nadu	80,000	1,50,000
Andhra Pradesh	40,000	1,00,000
Mysore	40,000	60,000
Others	—	40,000
	<hr/> 1,60,000	<hr/> 3,50,000

The salient features of the Centrally-sponsored Sunflower Development Schemes are as follows:

(i) *Supply of Minikits:*

Supply of good-quality seed, properly treated with fungicides, together with a note on the techniques of cultivation of the crop is pre-requisite for the successful introduction of a new crop like sunflower. To achieve this objective, minikits containing seed sufficient for this objective, minikits containing seed sufficient for half hectare along with seed dressers and the package of practices will be supplied free of cost to the farmers. The cost of the minikits will be borne by the Government of India upto a ceiling of Rs. 18|- per half hectare. During 1972, minikits would be supplied to the entire targetted area.

(ii) *Demonstration:*

With a view to acquaint the farmers with the scientific methods of cultivation of the crop for realising high yield, and also to demonstrate the suitability of the crop for multiple cropping patterns, large-scale demonstrations would be laid out over 1,500 hectares in areas to which the crop is being extended. An amount of Rs. 300|- per hectare is provided to meet the cost of demonstrations.

(iii) *Fertilisers:*

The Department of Agriculture would supply fertilisers on credit under the Intensive Manuring Scheme, to those eligible under their rules.

(iv) *Staff:*

Special staff to look after sunflower development work will be provided to the States to the extent possible, keeping in view the staff already available under other special programme for oil-seeds.

III. Development of irrigated groundnut areas:

An integrated development of cotton and oilseeds is envisaged under the various major irrigation projects in the country. Efforts are being made to bring about 8 lakh hectares under irrigated groundnut particularly in the southern States as a summer crop, which is expected to boost groundnut production by about 6 lakh tonnes.

Other resources:

In addition to increasing the availability of vegetable oils through raising the production of cultivated oilseeds, other resources like oil palm and cottonseed are also being explored.

I. Oil Palm:

Two projects for raising oil palm plantations have been taken up in Kerala and Andaman and Nicobar Islands:—

(A) Project for raising 2,000 hectares red oil palm Plantation in Kerala:

This project, under which 2,000 hectares of oil palm are to be raised in Kerala, was earlier included in the Fourth Plan of Kerala State. It was proposed that it should be run as a Central Sector Scheme on account of the financial stringency experienced by the State Government and the national importance of the project. The Planning Commission, at its meeting held on 4th January, 1972, considered this proposal and *inter alia* concluded as under:—

“The Oil Palm plantation in Kerala may continue to be with the Kerala State Plantation Corporation but the requisite assistance for future development of the plantation may be provided by the Centre. The possibility of providing this assistance in the form of Centre’s participation in the equity capital of the Corporation or a separate subsidiary under the Corporation may be explored by the Ministry of Agriculture with the Government of Kerala”.

According to the Project Report (which has already been submitted to the Planning Commission and considered by it), the project is estimated to cost Rs. 27.1 million, split up into IV Plan—Rs. 13.084 million and V Plan Rs. 14.013 million.

(B) Project for raising 2,400 hectares of Red Oil Palm Plantations in Andaman and Nicobar Islands—Central Sector Scheme:

A-project for raising a 2,400 hectares plantation in a phased manner in the Little Andaman Island has been approved by the

Planning Commission. The site for the plantation has been selected by a team led by the Deputy Director (Non-edible Oils), Directorate of Oilseeds Development. As recommended by the Planning Commission, the project is to be initially organised on departmental basis (by the Andaman and Nicobar Islands Forest Department), but should be eventually handed over to a suitable corporation. The total capital requirement of the project is estimated at Rs. 43.215 million, split up into IV Plan—Rs. 6,608 million, V Plan—Rs. 32.556 million, VI Plan—Rs. 4.051 million.

II. Cottonseed Oil:

Minimum usage of 10 per cent of cottonseed oil in vanaspati manufacture has been made compulsory. In order to further encourage larger usage of indigenous cottonseed oil in vanaspati manufacture—the following excise rebates are being given:—

<i>Percentage of cottonseed oil in vanaspati</i>	<i>Excise rebate (per tonne of cottonseed oil)</i>
(i) 0—10%	Nil
(ii) 10—20%	Rs. 200/-
(iii) 20—30%	Rs. 250/-
(iv) Above 30%	Rs. 200/-

APPENDIX III

(vide Introduction)

Analysis of the action taken by the Government on the recommendations contained in the Fifteenth Report of Estimates Committee (Fifth Lok Sabha)

I	Total number of recommendations	50
II	Recommendations which have been accepted by Government (Vide recommendations at S. No. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 49, and 50).	
	Number	46
	Percentage to total	92
III	Recommendations which the Committee do not desire to pursue in view of the Government's replies (Vide recommendations at S. Nos. 36 and 40)	
	Number	2
	Percentage to total	4
IV.	Recommendations in respect of which final replies of Government are still awaited (vide recommendations at S. Nos. 16 and 17)	
	Number	2
	Percentage to total	4