

Title: Further discussion on the Coffee (Amendment) Bill, 198 moved by Shri Sompal on the 14th December, 1998. Motion for Consideration - adopted

14.28 hrs

सभापति महोदय : अब विधायी कार्य शुरू किया जाता है।

श्री राजो सिंह (बेगूसराय): आप बिना काफी के ही शुरू कर रहे हैं।

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): Mr. Chairman, Sir, may I be allowed to say a few words? It is a brief statement on reasons for and objects of the Amendment to the Coffee Act, 1942.

The Coffee Act, 1942 had made it compulsory for growers to pool all their produce and place it at the disposal of the Coffee Board established under that Act. In turn, the Coffee Board would dispose it off and pay the proceeds to the growers. But there has been a persistent demand since the beginning of this decade by the growers that this compulsory pooling system should be done away with and finding the demand reasonable, the Government decided for the first time in the coffee season of 1992 that an internal sale quota of 30 per cent of the total produce be permitted to be retained by the growers which they were allowed to sell in the internal market. In January, 1994, the Coffee Act was amended to provide for a free sale quota by which the growers were asked to pool 50 per cent of their produce with the Coffee Board and the remaining 50 per cent they were allowed to sell either in the internal market or export to other countries. This quota was further reduced and the Government allowed hundred per cent free sale quota to all the farmers who possessed less than ten hectares of land. For the farmers who possessed more than ten hectares of land, the quota was further reduced to 30 per cent. In September, 1996, this quota system was totally abolished. It was abrogated. So, it became necessary to effect the changes in the Coffee Act, 1942 and certain provisions which governed the pooling of coffee have, therefore, to be deleted.

The Government also decided to avail this opportunity for rationalisation of other provisions like penalties for violation of certain provisions of the Coffee Act and also enhancement of ceiling of duty of customs on coffee, etc. The money thus, raised will inter alia be utilised for undertaking further research, development and extension activities for giving a boost to coffee production and export.

Accordingly, Mr. Chairman Sir, the Government, with the approval of the Cabinet, introduced the Coffee (Amendment) Bill 1997 in Lok Sabha in February 1997. Then with due consideration after the discussion between the Speaker of the Lok Sabha and the Chairman of the Rajya Sabha and according to the rules pertaining to the Standing Committees, it was referred to the Standing Committee of Parliament related to the Ministry of Commerce. The Standing Committee gave its recommendations and those recommendations have also been considered.

Now, this Bill is being brought here to give effect to those objectives. Therefore, the present Amendment Bill is before this august House. With these words I request the hon. Members to pass it. Thank you.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, initiating the debate, I am constrained to oppose the Bill.

In the normal course, I would have supported it but we all know that in 1942, the original Act was passed with a view to protect the interests of coffee growers throughout India. That was one of the main reasons for constituting the Coffee Board. It was the duty of the Coffee Board to protect their interests, especially, the interests of the poor and small farmers having a cultivation within an area of five hectares, six hectares or less than ten hectares. Primarily, their interests will have to be protected and for this purpose the Board was constituted.

The Government also had given grants and subsidies to the Coffee Board, which is giving subsidised manure to coffee growers, that is, to small growers, at last, and also to protect the interests of plantation workers who are working in large scale coffee plantation estates.

Now, the estates have spread. In Kerala, it is spread in Vayanar district and in neighbouring Karnataka State, that is, on the western Ghat side, there are a number of coffee growers and large scale plantations of coffee growing.

Now, I would suggest that in the larger interest of the small coffee growers that there must be a statutory authority to protect their interests. In due course of time these poor people are left to the mercy of large scale coffee producers having thousands of hectares of coffee growing areas under them. If the entire restriction or pooling process is taken away, I am sure that these poor growers will be left to the mercy of large scale producers of coffee, that is, the estate plantation owners. They will be controlling the entire market -- market in the sense, the internal or the domestic market as well as the international market. They can control the entire market and the poor growers or the small coffee growers will be put at their mercy. That is the main reason for me to oppose this Amendment.

Now, we are not in a position to control the international coffee market. We all know that coffee is a universally accepted international drink and the hon. Members of this House are fully aware that whenever you go outside you will have to have a cup of coffee and without which the life for a day will not be complete. So, it is a sweet drink internationally accepted throughout the world and the poor growers or the poor farmers are put at the mercy of the monopoly of the large scale plantation growers.

Previously there were one hundred per cent pooling. Nobody was permitted to sell coffee directly. The Coffee Board alone was authorised to pool the entire production and they would sell it and distribute the proceeds after deducting the pooling expenses. That was the procedure available from 1942. During the beginning of this decade, it was thought or found necessary that there must be some change in the system. So, at first, 30 per cent produce was allowed to be sold internally and the remaining 70 per cent was pooled by the Government. That process was very good. But that did not last long. Subsequently, the Government again changed the stand and the growers were allowed to sell 50 per cent of their produce either internally or internationally and the remaining 50 per cent would be pooled by the Coffee Board. If that system is allowed to continue, in the long run or in the larger interest of the poor growers, it will be very useful.

Now, there is a clamour by the large scale producers to do away with the entire system of pooling. They want to do away with all kinds of restrictions, all kinds of interference by the Government through the Coffee Board and they are conspiring into the functioning of the Coffee Board also. Of course, the Coffee Board was not functioning effectively. I do concede that. But that is due to the bureaucratic tendency of the people who are controlling the Coffee Board. They were not rising to the occasion and they were not coming to the help of the farmers as and when required. That did not take place. So, there were a lot of criticism regarding the functioning of the Coffee Board. I do admit that. But that will not be a justification for doing away with the functioning of the Coffee Board. There were some defective functioning of the Coffee Board and that would be rectified by a systematic administrative arrangement. I think, it could be rectified. Without doing that, the Government proposes to do away with the functioning of the Coffee Board and they want unrestricted functioning for the large scale producers.

Now, these poor coffee growers will have to sell even their holdings to these plantation people, very rich people, who control the international market and they will be left to their mercy. Moreover, it may be remembered that the Coffee Board could not help these people at times when they were in need. Even, manure could not be given to the poor coffee growers at subsidized rates. As I have said earlier, there were a lot of criticism against the Coffee Board.

Now, I would suggest that the present system be allowed to be continued because in the long run, the Government of India or anybody in India could control the international Coffee market because there is still competition in the international market and these poor coffee growers will be put at their mercy. The multi-national companies who are dealing in coffee will dictate terms and they will dictate the prices and that will lead to an adverse interest in the case of poor coffee growers of South India, especially Karnataka and Vayanar District of Kerala. So, I request the Government and the hon. Minister to reconsider this issue.

If we had an absolute control over the market, then it is all right. But we have no control over the international market. The price is determined by the multi-national companies who are dealing in coffee market. They will dictate terms and the entire produce will have to be sold according to their whims and fancies. In the other case, the Coffee Board is having the monopoly.

They will release the coffee as and when the conditions are favourable. There will not be any dictation from outside in the matter of coffee selling. Now, here the entire produce will be pooled by a public undertaking instead of the Coffee Board. The private agencies will pool the entire coffee production and they will dictate terms. They will fix up the prices and the poor growers are left to their mercy. Not only that, in the international market also, adverse circumstances may arise and that will lead to a very difficult situation so far as the Coffee industry is concerned.

We do not have any control. There are other countries like Malaysia, etc., who can compete with us. We cannot compete with their produce. So, leaving everything to the entire open market economy will lead to a catastrophe. So, I suggest that there must be some control. There must be some form of pooling, otherwise the interests of the workers, at large, will be detrimental.

On this ground, I have to oppose this Amendment. So, I request the hon. Minister to consider either to suggest a method by which there must be some pooling by the Coffee Board or he should show the magnanimity of withdrawing the Bill in the larger interests of the Coffee industry in India.

So, with these few words, I again appeal to him to withdraw this Bill. In any case, if he is very pertinent to have the amendment passed, I strongly oppose it.

SHRI V. DHANANJAYA KUMAR (MANGALORE): Sir, I stand in support of the Bill for amending the Coffee Act, 1942.

The Coffee Act, 1942 has been passed in the pre-Independent era. After the advent of the Britishers into our country, they tested the Indian Coffee and they wanted to have some coffee reserved for their consumption. That is how the system of pooling was developed. The main intent of the Coffee Act, 1942 was to see that the coffee produced by the poor farmers are forcibly collected at one place and it is taken out of the country. I am not against the coffee being exported.

India is one of the coffee producing countries in the world. The Indian coffee is the best coffee available in the world. But our share in the international market is very meagre. Our share is just three per cent in the international market. We produce on an average about 2 to 2.5 lakh tonnes of coffee in this country whereas there are countries which are producing coffee to the extent of more than even 30 lakh tonnes. Since the Indian coffee could not be properly propagated in the international market and the Coffee Board was not able to undertake massive propaganda, the Indian coffee was not able to get the due price in the international market. That is how the coffee growers were able to avail the best price which was otherwise available in the international market. Now, for quite some time, the coffee growers have been making a demand that the system of pooling will have to be given up and the growers themselves must be allowed to enter the market.

I do not know why the elderly Comrade Radhakrishnan has been vehemently opposing the present Bill and wants to endorse what was stated by the Britishers here. I do not know why. This is what he has been arguing and has been vehemently requesting for the continuance of the pooling system. I do not know whether he is in the know of things.

SHRI VARKALA RADHAKRISHNAN : I have given my views in the interest of small farmers. I do concede that this large scale plantation people were in favour of doing away with pooling. But the poor farmers are left to their mercy if this pooling system is taken away. I always stand for the poor farmers who are in large numbers. I always stand for them. I do not want to argue that the entire pooling system should not be there. There should be some restriction.

SHRI C.P. RADHAKRISHNAN (COIMBATORE): You wanted them to be in the Coffee Board. You want the poor farmers to be always be in the Coffee Board in the queue.

SHRI VARKALA RADHAKRISHNAN : In the interest of the poor farmers there must be some restriction.

SHRI V. DHANANJAYA KUMAR : I want to refresh the memory of Comrade Radhakrishnan that even the small growers specially from Wynad wanted total de-pooling and they are getting a very good price now.

SHRI VARKALA RADHAKRISHNAN : That is only at this stage.

SHRI V. DHANANJAYA KUMAR : That is the difficulty with our Comrades. They would never agree for reasoning. I do not mind that. (Interruptions)

MR. CHAIRMAN : You address the Chair.

SHRI C.P. RADHAKRISHNAN : You have got a powerful Chairman today.

SHRI V. DHANANJAYA KUMAR : The other difficulty is that actually if coffee is properly consumed in our own country probably there is a vast scope for increasing our production. Coffee is such a stimulating drink which will have to be consumed in cold conditions especially in the Northern India.

SHRI VARKALA RADHAKRISHNAN : There is a propaganda by some interested persons that drinking coffee will lead to heart disease.

श्री वी. धनंजय कुमार : सभापति महोदय, आप भी अच्छी कॉफी पीना चाहेंगे लेकिन यहां पर अच्छी कॉफी नहीं मिलती है।

SHRI VARKALA RADHAKRISHNAN : Just like coconut that it would lead to some disease, so also there is a propaganda by some interested parties that drinking coffee would lead to heart disease. Some multinational people, who are interested in doing way with the coffee industry were propagating that if anybody is taking coffee it would lead to heart trouble. That is the worst propaganda.

SHRI V. DHANANJAYA KUMAR : Let me tell all the hon. Members through my learned friend that preparing liquid coffee is an art. The preparation of the liquid coffee is an art. Unfortunately, our people could not learn the art of preparing liquid coffee. That is why coffee is not being sold in the domestic market to the extent it ought to have been sold. There has been a demand that the Government should popularise coffee among the Army personnel. The Army personnel also, work in cold conditions and they would like to have a cup of very strong coffee. But unfortunately, we are not able to popularise coffee in those areas. That is why I would also agree with Comrade Radhakrishnan that if we are able to cultivate the habit of drinking good coffee especially in the northern parts of India, then there would not have been any occasion for us to export coffee which is produced in India. The difficulty here is that the art of preparing liquid coffee could not be developed by the people who would otherwise love to consume a good cup of coffee.

Sir, that being the situation, the growers were left with no other alternative but to depend on the international market. That is how, coffee started to be exported. The price of the coffee is determined on the basis of the demand, specially, in the London market. When the Coffee Board used to market the coffee under this pooling system, the handling charges used to be very high. Though the Indian coffee used to fetch good price in the international market, the growers in turn were not able to get that good price. The handling charges were beyond the expectation and that is why, the growers were suffering and they wanted to have this kind of open market system.

Today, I am very sure I represent the largest coffee-growing area in this country, Kodagu, where the best form of coffee is being produced. It is being represented by me. There are two kinds of coffee being produced in this country. One is, Arabica variety and the other is, Robasta variety. The Robasta variety is the strongest and the most stimulative coffee. That is being produced largely in parts of Kodagu and also in Chikmagalur. There is no doubt that it is being produced in small portions in Wayanad area also.

Today, what is required is this. The Coffee Board having been divested with the authority of collecting the coffee under the pooling system and then marketing the coffee so collected, they will have to undertake the work of research and development. There is a vast scope for increasing our production. Now, on an average, the coffee that is produced in our country is around 800 kilos per acre whereas in other advanced countries, the coffee produced per acre is not less than five tonnes. So, the Coffee Board will have to undertake extensive research programme. Also, they must help in its development. No doubt, the pest control would also be within the domain of the Coffee Board.

The functions of the Coffee Board will have to be assisted out of the money collected by imposing what is called 'export duty'. Now, by exporting the coffee, the growers are able to get good price. At the same time, the Coffee Board's activities will be sustained by way of collecting the export duty. That money in turn will be ploughed back to the coffee industry by way of undertaking research as well as developmental activities.

Recently, there has been a Conference held in Bangalore. Many international coffee traders and some of the growers participated in it. There were elaborate discussions how to assist and augment the coffee industry in our country. It is heartening to note that over the years, since the last three or four years after this system of pooling had been given up, the growers have been able to get good price which is available in the international market. With one suggestion, I would conclude my speech. I would request the hon. Minister to issue directions to the Coffee Board to work out some mechanism whereby the branded coffee could be sold in the international market. Now, we have many blends of coffee. Various kinds of coffees are properly mixed and blended at a particular ratio so that you will get a kind of distinct aroma. And, if you are able to prepare liquid coffee out of that powder, there is nothing like that. That coffee is loved especially by the countries where very severe cold conditions prevail. They would love to use this coffee.

Today, unfortunately, the best Indian coffee is not being sold in the international market under the brand name of our country. We can even go further to say that new brands can be developed in the name of some of the estates. As rightly pointed out, we have some estates, like in Chikmagalur and in Kodagu, which are very well maintained and where good coffee is being produced, Some effort was made and coffee under the brand name 'Cauvery' was developed and they tried to market it. I tell you, Sir, that it fetched very good price. So, the Coffee

Board will have to make efforts in this direction so that the coffee industry as a whole could be augmented and our growers can get the best price.

I would like to assure Comrade Radhakrishnan that under the provisions of this Bill, the right vested in the Coffee Board for getting the coffee pooled is not totally taken away. That provision still exists...(Interruptions). Suppose on a future date, recession comes in the industry, then definitely the Coffee Board can intervene at any point of time and they can again start collecting coffee by the pooling system...(Interruptions). Those powers are continued.

Now, what is contemplated is only 100 per cent free sale, that is, whatever coffee is produced, could be sold by the growers directly and they are free even to export.

I would again lay emphasis on one aspect that the Coffee Board will have to undertake effective measures to popularise coffee in the domestic market. Our Government is well advised to popularise coffee among the Army men also so that the coffee produced in this country could be very well consumed in our country and we can increase our production and can also compete in the international market. In the international market, as you know very well, unless you become a major player, you will not be in a position to get good price. So, by amending the Coffee Act, I hope there is a vast scope for increasing our production and make our coffee growers become competitive in the international market so that we can earn good foreign exchange and the growers also are able to get good market price, which is even otherwise available in the international market.

My friend would be delighted to know that coffee in India is being sold at a very cheap price. Here, in the Parliament House, a cup of coffee is costing only sixty-five paise but even in the Five-Star hotels, the maximum price that is charged per cup is Rs.10 to Rs.15. But in America, as you know, they charge two to two and a half dollars per cup, which is equivalent to about Rs.90. So, our growers must get that kind of a price and for that let us all strive together and let us strengthen the efforts of the Government.

So, I fully support this Amendment which would be in the interest of the coffee industry as a whole, especially the growers, including the small growers. Thank you, Sir.

SHRI P.C. CHACKO (IDUKKI): Mr. Chairman, Sir, I stand to support this Bill, but with a rider. The hon. Agriculture Minister, on behalf of the Commerce Minister, has moved a Bill which is going to be a historic one in the sense that coffee pooling has been, in India, as a very unique kind of practice or a protection to the coffee growers. It has been in existence for the last more than sixty years. Since 1942, the coffee pooling system which was prevailing in this country has done good to this industry and to the coffee growers in general.

15.00 hrs.

Today, we are thinking of deregulation. Today, we are thinking of taking away this regulation which was there through pooling system. The pooling system was there in practice for a long time. It is not that the pooling system is bad. It is not that the pooling system is inefficient or unhelpful to the growers but the fact remains that we are now living in a changed environment. All the over the world, the market forces are playing a vital role in deciding the prices of commodities. Here, in India also, there was a time when the Government had extended protection to the farmers. The coffee planters in India are at the mercy of natural calamities. They have to face the vagaries of the natural calamities and also the onslaught of the pests which very often destroy the crops. Productivity-wise, India is not the first in the world. There are other countries in the world whose productivity is much better than the Indian growers. What will happen to the Indian farmers if the pooling system is completely taken away?

Countries like Brazil and Guatemala are the producers of coffee and are controlling the world market. In this situation, what will happen to the Indian farmers? This experiment was started in 1992, as has been made very clear by the Minister of Agriculture. In the first instance, 30 per cent was taken away and then 50 per cent was made free for sale and then the entire produce was made free for public sale in the open market. In this kind of a situation, Government is not going to come to the rescue of the coffee growers. When the pooling system is completely taken away and dismantled, what will happen to the coffee growers? When the WTO Agreement was

signed, so many things were promised in this House and that India's trade is going to increase but our experience was on the reverse. So, if the producing countries are going to dump their products into the Indian market, if the Indian growers are going to face a crisis, and if the Government is also not going to come for the rescue of the coffee growers, then what will happen to them? Now, the pooling system is going to be taken away.

I had been a Member of the Coffee Board in the past. We know that small farmers as well as big farmers were giving their produce to the pool and they were getting their hard earned result of their toil in instalments over a period of time. They may get 10 per cent and then they may get 25 or 35 per cent. The value of whatever they are producing were got by them over a period of time. This was causing a lot of hardships to the farmers and I had been witnessing it. Many times, we have recommended that the farmers should get the benefit when the market conditions are favourable. I fully agree with that but at the same time, if the market conditions are not favourable, then what is the role of the Government? The hon. Agriculture Minister may explain this point while giving his reply. He may convince on the kind of safeguards that will be provided as far as farmers are concerned.

Coffee Board has played a great role in protecting the interests of the farmers. Today, we have set a target. What would be the Indian production in the next ten years or in the next decades to come? As I said, productivity of the Indian coffee plantations are not good enough. When we compare our per acre production of coffee with that of Brazil and other producers of the world, we can find that it is much less. In this kind of a situation, how can we improve? If we do not improve our productivity, our farmers are not going to get remunerative prices for their produce. Today, coffee is getting good price and farmers are by and large happy. If the pooling system is completely taken away, the farmers will be at liberty to sell their produce in the market and get good prices. But it is very often happening that the coffee price is going up and down in the coffee market. We have seen at least half-a-dozen ups and half-a-dozen downs in the coffee market in the last 10 or 15 years and this is a violent fluctuation in the market. Sometimes, the prices will be very good but in the coming years, the prices will be terribly low. In this kind of a situation, there has to be minimum protection for the farmers. Has the Government envisaged the role of the Coffee Board in future? This has not been made clear in the Bill. The Coffee Board is an organisation which has been in charge of the pooling operations.

The entire coffee produced in the country is pooled by the Coffee Board, sold in auction and the money is kept by the Coffee Board. It is distributed to the farmers in installments. This action is totally the job of the Coffee Board. But tomorrow when this pooling is completely being taken away, what is the role assigned to the Coffee Board?

There are non-traditional areas in India where coffee cultivation can be extended to. I understand from various statistics and reports that the North-Eastern part of the country is very much conducive to coffee cultivation. But have we a plan to extend coffee cultivation to the non-traditional areas? Where the traditional areas are there, I would like to know whether there are efforts to increase the productivity of coffee.

Research and development is an essential component of this whole operation. This is a very big operation in India. In a country of India's size, where coffee cultivation can be increased manifold, research and development activities are very very important. So, when coffee is exported, on every tonne of coffee, a cess is being collected. That is the intention behind the Bill. The intention is that the cess money is going to the Coffee Board and the Coffee Board is going to take up research and development activities.

In this context, I would like to point out the example of the Rubber Board. When the Rubber Board was instituted, the paramount and main duty of the Rubber Board was to spread rubber cultivation all over India. Then, India's production went up hundred times. There is a manifold increase in India's rubber production. In this way, expansion of the cultivation, making the farmers aware of the benefits of cultivation and expanding the area as well as productivity were taken up in a very effective manner by the Rubber Board. Like that, the Coffee Board should do it. The Government should not have an impression that since pooling is only their job and when that job is over, the Coffee Board is defunct and it can be disbanded.

I read the other day a report from UPASI that the Coffee Board's continuation is not necessary because that function is over and probably the Coffee Board can be dismantled. The Government should not have this

attitude. While the House is approving the de-control of coffee pooling, at the same time, the Government should not shirk its responsibility. One should not be unclear about the future objective of the Coffee Board.

Research and development activities should be taken up in a big way. Wherever the traditional coffee is there, the bug attack comes in a very strange and unexpected manner. The bug attacks and many other pests attack the coffee plants. It destroys the coffee crop. Already, in one season, it completely destroyed the crop. It happened in the world, in many other countries also. When such an attack comes, are we armed with sufficient research expertise to face this kind of a crisis situation in the coffee industry? If the coffee industry is subjected to pest attack, as it has happened in many of the places, is there sufficient safeguard to control the situation? I would like to know whether the Coffee Board would be armed with research and development wing which should be many times more than what it is today for facing this menace and also to increase productivity.

There are some other apprehensions also. I want to go into them briefly. In fact, when de-control was initially taken up for implementation and then implemented in 1992-93, the farmers who were holding less than ten acres of coffee plantation were first included in the category of de-control. The major plantations were even then under control. Subsequently, in a phased manner, the entire coffee is brought under de-control. It is going to be decontrolled. That is already being done. It is only the legal sanction which we are discussing now. In this kind of a situation, how is it going to affect the middle class and the small farmers? The only operating factor in the market is demand and supply. If the market forces alone are going to decide the fate of the coffee plantation industry in the country for the future, then what is the safeguard?

We all know that this is a very unequal and cruel world. So, when the international forces, which are playing in the field, are operating through the big farmers, is there any safeguard for the small farmers? There are farmers owning three to ten acres of land. A large number of such coffee plantations are there in my constituency. I come from such an area. There are one or two acres of small plantations. The small growers do not have any protection today. Mr. Minister, you cannot take it as a whole because the large plantations are there. They may be able to survive even some of the market fluctuations. But, for the small farmers, this is the only source of income. They cannot face the problem or survive the market fluctuations. So, there has to be sufficient safeguards for the small farmers also.

My friend, Shri Dhananjaya Kumar, was speaking about the internal, domestic market. It is the responsibility of the Government to give more encouragement for the consumption of Coffee internally also. The Tea Board and the Coffee Board are functioning in a very effective way and as model institutions in this industry. The fact still remains that India is such a vast market and the bulk of what we are producing here can be consumed in the Indian market itself. That kind of a situation is there. There is no real propaganda or an effort for expansion of the Indian internal market. Coffee or Tea pooling is an occasion for us to apply our minds seriously to all these issues. Whether the internal market can be expanded or whether remunerative prices can be given? I do not think a cup of Indian Coffee should cost 2 dollars or the corresponding Indian price or whatever the Indian market can afford or whatever the Indian consumer can afford at the remunerative price and no farmer should think of a very high price which is unrealistic and which will be something which cannot be long lasting. We cannot imagine that kind of a situation.

Decontrol is being done. I agree that this has been a long lasting demand from the side of the farmers, both small farmers and big farmers. For the last many years, we are asking for decontrol. Decontrol is being done in a phased manner and it was found very effective because in the last few years, production of Coffee in India and outside India or the world over was very good. So, everybody is happy. When the situation slightly changes and when there is a fall in the prices due to various other reasons, which we have seen in the past, whether the Government will come to the rescue of the Coffee planters? Then, they will say that the Act is changed and we are no more responsible and no pooling and Coffee Board is only a promotional agency. This kind of situation may come. Because small farmers in competition with the interest of big farmers now want to abandon the Coffee Board itself. In that kind of a situation, there is no control. In a total open competition in the market, probably the small farmers cannot survive. These are the problems and the Government has to apply its mind sufficiently to answer the problems to the satisfaction of the farmers, especially the small farmers.

Arabica and Robesta are two varieties of Indian Coffee. Probably, from productivity angle when you go through the Coffee plantations in Kerala, you find that most of them have leasehold properties and now it has come into the Forest Act. To change their crop to a better crop, they cannot change the pattern. If Arabica is planted, new crop of Robesta cannot be experimented. Even new species come up in both Arabica and Robesta. According to the suitability of the climatic conditions, new breed have to be experimented, but the Forest Act prevents the farmers because it is not a pucca title for many of the Coffee planters. It is only a leasehold right of Coffee planters and the plantations are enjoying. Especially plantations in Idukki district of Kerala have all leasehold rights only. There, the farmers are even not allowed to experiment new crop because any kind of new plantations or new crop is not permitted because of the Forest Act. These restrictions are imposing very big hurdle inhibiting the flexibility of the planters, small as well as big, for going in for big experiments. Whether it is cardamom or coffee or tea or any other thing, productivity is going to be a real thing.

If the Indian farmer is not able to attain the productivity at least 75 per cent of their counterparts in Sri Lanka or Guatemala or Brazil, we are not going to survive. The world is one market. We are going to sell our produce in the world market. If we are producing only 100 kg. per hectare and somebody else is producing 200 kg. per hectare and the cost of production being the same, where are you going to sell your product? Ultimately, it is the productivity which is going to be the criteria for the survival of this industry. If that is going to be the crucial point as far as farmers are concerned, what kind of help is going to come from the Government? Legal restrictions are taken away. The Minister is assuring this House that this was the demand of the farmers, we have done that and we are satisfied, fine and good-bye. That should not be the attitude of the Government. We request that the Government should be there as an umpire in this play because otherwise the farmers cannot survive.

The farmers should be given an opportunity to compete with their counterparts elsewhere in the world. If this kind of situation is envisaged, sufficient schemes should be prepared and the Coffee Board should be empowered with this kind of responsibilities. If they are given sufficient funds for these purposes, then the Government should not feel that cess is imposed now, it is going to the fund of the Coffee Board and, so, we need not give anything. Everytime, budgetary support to these Boards are progressively being reduced. All the Finance Ministers, whichever party they may belong to, think that the market forces will take care of it and it is not their responsibility. No, that should not be the attitude of the Government. The Government has got a promotional responsibility. So, the Coffee Board should be given sufficient support from the Budget. Therefore, as I said earlier, I support this Bill with a rider due to the reasons which I have stated just now.

Sir, when a very nice person like the hon. Minister, Shri Sompal, is moving this Bill, I am all the more inclined to support this Bill. But we want some assurances and guarantees from the side of the Government which is represented by Shri Sompal, as far as this Bill is concerned. Today, he is representing the Ministry of Commerce. He should give assurances to the effect that the farmers will not have any problems in future and the new competition which is taking place in the world will not affect the basic interests of the farmers. I hope that he would be able to satisfy us. With this fervent hope, I support the Bill.

SHRI BIKRAM KESHARI DEO (KALAHANDI): Mr. Chairman, Sir, I support the Coffee (Amendment) Bill, 1998 whole-heartedly, because this Bill envisages the interests of the growers and the labourers who are involved in the growing of coffee plantations directly and indirectly.

Sir, as you are aware, coffee earns a lot of foreign exchange for this country. So, this legislation, which the hon. Minister has brought, will simplify the process of the coffee grower who can easily sell his produce by not sending it to the Coffee Pool. Previously, the practice was that every grower has to send his coffee to the Coffee Pool where points used to be given for the coffee producer. It was a tardy and a very long process and by the time the farmer received his 60 per cent payment, he had to face a lot of problems.

Sir, the growing of coffee plantations requires a lot of input and a lot of labour. Due to the degradation in the environment, the growing of coffee plantations has become very expensive. So, for a small farmer, to sustain his coffee plantation and going to the Coffee Board to get his money back is a very long procedure. So, through this legislation at least the payments made to the coffee planter is simplified. Now, he can sell his produce in the open market and get the best price for it.

Sir, I am also happy to know that the Coffee Board would be entrusted with the responsibility of research and development. This research and development will go a long way in increasing and achieving the target of three lakh metric tonnes of coffee which they have decided to reach in the year 1999. So, I think, there is no question of opposing this Bill, because this Bill is meant for helping small growers and other labourers who are involved in the growing of coffee and who are completely dependent on it.

Sir, earlier, when the Coffee Act, 1942 was in existence, - which was an imperial Act and which is planned to be scrapped now - it guarded the interests of the coffee planters who were mainly Britishers, foreigners and who were the persons who introduced coffee plantations in these tribal areas of Karnataka, Kerala and other Southern States. Now, as you are Sir, aware, coffee can also be grown in places like Orissa and North-Eastern States of our country, which are termed as the non-traditional areas the districts of Kalahandi, Koraput, Phulbani are very favourable for coffee. Therefore, I would request the hon. Minister that the growth and promotion of coffee should be given to the non-traditional areas also, because in the activity of coffee growing, it has been assumed and seen that in one acre of coffee land one man day is utilised.

That means, if there is a coffee area of 500 hectare, nearly 500 mandays are created every day. '500x365 or 240' come to a thousand mandays in a tribal area. This emphasis should mainly be given in the tribal areas where there is degradation of environment because coffee plantations can stem such degradation. It is a plant which stops leaching of soil. These things should be planted compulsorily in the catchment areas of dams. With the right attitude.

It is a cash crop. It can save the environment. Besides, it gives us a lot of foreign exchange. So, you will see that today coffee export from the country has risen by 41 per cent. Where does this money go? This money goes to the poor people and to the downtrodden who are toiling in the coffee plantations. Therefore, this idea of making coffee plantation free from the pooling system will definitely go a long way in sustaining the rural economy of the tribal pockets and where the life-style is dependent upon the coffee plantations. With these words, I support the Bill.

श्री मोहन सिंह (देवरिया) सभापति जी, काफी अमेंडमेंट बिल अपने आप में कुछ ऐसा नहीं है जिसका विरोध किया जाये। पुरानी सरकार ने इसको वहां के किसानों की मांग के ऊपर ही इस तरह के संशोधन करने का सुझाव दिया था। हमारे देश में जब अंग्रेजी सरकार थी, तो उसने पहले किसान की नील की खेती के ऊपर अपना नियंत्रण स्थापित किया। फिर उसका रूझान चाय और काफी के ऊपर गया। इस तरह एक सिलसिला हमारे देश में उन्होंने शुरू किया कि जो जमीन से उपज की चीजें हैं, उन पर नियंत्रण स्थापित कर अपनी मनमानी कीमत वसूलना और जो उसके मजदूर और किसान थे, उनका शोषण करना। धीरे-धीरे किसानों ने इससे एक मुक्ति का संग्राम शुरू किया और उससे मुक्ति के एक सिलसिले की शुरुआत हुई। अब दुनिया बदल गई और हम एक नई आर्थिक नीति के तहत अपने देश को चाहे अनचाहे चलाने की कोशिश कर रहे हैं। जब ऐसी बात है तो ऐसी किसी भी चीज के ऊपर नियंत्रण जिसकी उपज किसान के द्वारा जमीन के ऊपर की जाती है, मैं ऐसा समझता हूँ कि सरकार की ओर से इस पर नियंत्रण स्थापित करना एक गलत परिपाटी और गलत पद्धति है। १९४२ से ही एक पुलिंग सिस्टम काफी के उत्पादन के ऊपर लागू था और किसानों की मांग पर धीरे-धीरे उसमें कुछ छूट की शुरुआत की। १० हैक्टेयर तक के किसानों को इस कानून के तहत पुलिंग सिस्टम से पूरी तरह छूट देने का प्रावधान है और १० हैक्टेयर से ऊपर के जो किसान हैं, उनको भी ३० परसेंट तक अपनी उपज को बाहर बाजार में बेचने की छूट है। बाकी के ऊपर पुलिंग की पद्धति है। जब हम इस देश के किसान को खुशहाल बनाना चाहते हैं, उसके उत्पादक को खुशहाल बनाना चाहते हैं तो उनको दुनिया के व्यापारिक क्षेत्र में कूदने का और अपनी उत्पादित वस्तु को अपनी कीमत के आधार पर बेचने का अधिकार होना चाहिए। उसी मंशा से यह विधेयक इस सदन के सामने आया है। मैं आग्रह करना चाहता हूँ कि जैसे हमारे कुछ माननीय साथियों की यह इच्छा है, उनको यह उत्सुकता है कि इस तरह के नियंत्रण को समाप्त करने से जो उत्पादन के कार्य में लगे हुए मजदूर हैं, उनके हितों का संरक्षण नहीं होगा और अंततः कम से कम बोर्ड की ओर से जो उत्पादक हैं, उनको कुछ न कुछ कीमत मिलती थी, इस तरह की गारंटी थी। मैं ऐसा समझता हूँ कि भारत सरकार को इसके बारे में पहल करनी चाहिए कि किसान, उत्पादक और उसमें लगे हुए मजदूर हैं, उनके हितों का बलिदान न हो सके। काफी दुनिया के बाजार में हमारे देश की विश्व व्यापार के क्षेत्र में और विदेशी मुद्रा अर्जित करने में सहयोग हो।

इन्हीं शब्दों के साथ मैं मंत्री जी को धन्यवाद देता हूँ जिन्होंने अपने सम्पूर्ण विधेयक में इस बात की पूरी गुंजाइश रखी है कि जो काफी बोर्ड है, उसका एक उद्देश्य काफी के क्षेत्र में नये-नये अविष्कार, नये-नये शोध और जो उत्पादक है, उनको उचित कीमत देने में सहयोगी होगा। मैं ऐसा समझता हूँ कि सरकार इस पर ध्यान देगी।

इन्हीं शब्दों के साथ मैं इस विधेयक का समर्थन करता हूँ।

SHRI V.V. RAGHAVAN (TRICHUR): Mr. Chairman Sir, when we think of new legislations, restructuring our economy according to the market economy, we always miss the interests of the lower level people.

I am not arguing for the pooling system. There were so many defects in the pooling system and the cultivators were put to too many difficulties. That should not be there. I agree with it. But when we go for 100 per cent free sale of coffee, I am afraid the small cultivators will be hit hard.

Mr. Chairman, it is a fact that in our country, the traders and the big plantation owners could manipulate the market and the prices. They have the resources to hold and manipulate in their interest, whereas the small cultivators are compelled for distress sale. Most of the small cultivators have to go to the market for the price, whichever they get. They cannot withhold their produce for better days. That is a case in every yield in this country. Can the hon. Minister deny that? Of all the cultivators, the small growers, the small peasantry have to sell their produce at the will and wish of these traders and the big people.

When coffee is for 100 per cent free sale, I have no doubt that the prices will be manipulated, the market will be manipulated and the small farmers will have to suffer. So, I would request the hon. Minister that there must be some mechanism to guarantee a remunerative price to the small cultivators. I am not bothered about the well to do people. They can manage somehow in this country, but the small farmers have to suffer.

Another point to which I would like to draw your attention and would ask the hon. Minister is, what is the difference between the consumer price of the coffee and the share the cultivators get. Has the hon. Minister ever calculated that? As we witnessed it in the morning, it is not only coffee but in every agricultural produce, they get less than 30 per cent of the market price. The middlemen and the traders are having the most of the chunk. It is a fact with regard to coffee also. So, it is the duty of the Government to guarantee a remunerative price for the lower level cultivators.

I am sorry to say that this obligation is not being discharged by the Government, nowadays. I have ample examples to give here. We, in Kerala, cultivate cash crops and our main agriculture depends upon cash crops. The Government of India promised in 1990 that we would be given a support price every year for coconut. Whichever Government in power is not a question. The Government is continuing. In 1990, a written Order was issued; before harvesting the yield, a support price would be declared by the Government of India. That declaration has not been fulfilled regularly. We have been appealing to the Government. As the Government did not discharge their obligation, their commitment, three million cultivators of coconut in Kerala are in a very grim condition now.

Take for example, rubber. What is the plight of the rubber cultivators in Kerala? The rubber cultivators do not go to the extent of suicide because of their conscience. Otherwise, there would have been hundreds of suicide cases in rubber cultivation in Kerala. I wish to draw the attention of the hon. Minister that the price of industrial rubber products is skyrocketing. The consumers have to pay high price. The people who are having scooters and motor vehicles have to pay. What is the price of tyre? What is the price of the industrial rubber produce? What is the remunerative price that the rubber cultivators get? There is a vast difference. How can you keep quiet?

The Government of India have to intervene in order to do justice to the cultivators. There we have failed. That is the one season for sickness of our economy. Whatever you claim about the market economy and the growth rate, what is the plight of our Indian masses? Do you not see with your naked eyes the plight of the small cultivators of all produce in India? We must open our eyes and see around what happening to all the cultivators or the peasantry. They are in a very dangerous situation; going to the extent of committing suicide and they are living with only one meal a day. So, you have to think about them. You have to uplift them. With your restructuring, with your market economy, you are forgetting them.

Our planning, restructuring and the legislation must be adopted in the specific conditions of Indian population, particularly the Indian agricultural sector. So, in this context, the only thing I want is a guarantee of a remunerative price to the small cultivators from the Government. If you bring in such an amendment along with this Coffee (Amendment) Bill, that would be better. When you go for one hundred per cent free sale, there must be some provision to guarantee a minimum price to the Coffee cultivators with small holdings.

श्री चेतन चौहान (अमरोहा) : सभापति जी बड़ी शान्ति से बैठे हैं।

श्री चन्द्रशेखर साहू (महासुमन्द): आपको स्थाई सभापति बनाना चाहिए।

श्री सोमपाल: शान्ति का सर्ग दोपहर के पूर्व समाप्त हो जाता है।

MR. CHAIRMAN: Now, the hon. Minister will reply.

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THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI SOMPAL): Mr. Chairman, Sir, I thank all the hon. Members who have taken keen interest in raising certain valuable points in the context of the Coffee (Amendment) Bill, 1998. I would try to reply to all the points made by the hon. Members whichever is possible, in my limited capacity.

Shri Radhakrishnan has said that the interest of the growers has to be kept in mind. It is precisely with this objective that the amendment has been brought forward. There was a persistent demand by the growers because Shri Chacko and Shri Dhananjaya Kumar, who have been intimately connected with the business of coffee growing as well as functioning of the Coffee Board, have themselves said that the farmers, particularly small farmers, were being put to a lot of inconvenience because their payments were delayed and they had to face a lot of difficulties. Therefore, it is with this objective in view and after the persistent demand by the growers themselves that this pooling system has been abrogated. (Interruptions).

Regarding the interests of the workers, I may submit that the Minimum Wages Act and other things are quite adequate and these are being done by the respective States. I understand, particularly in the State of Kerala and Karnataka, the Minimum Wages Act and the laws are adequate protection for the workers and the Government there are fully aware and responsible to take care of the interests of the workers.

To the apprehension that large growers would corner all the produce and some monopolisation will take place, the recent movements in prices and the trends which we have observed during these two years bear it out that this is not being done though there was a dipping of price in the international market. But now they have come up. So, the apprehension that this trade will be cornered and monopolised by large growers and traders is also not rightly placed and now prices are good and the growers are also getting good prices.

Shri Dhananjaya Kumar has given a very valuable suggestion regarding Coffee Board being asked to promote the sale of coffee, particularly certain brands of coffee and blended coffee in international market. I am pleased to inform, through you, Sir, the august House and the Members that Coffee Board is already doing this and Indian Coffee is being very well received in the international market and we are getting good price also. Now, the taste of Indian coffee is catching up in the Western countries particularly America and Indian coffee I repeat is being received very well by them.

So far as research, development and extension of good techniques for enhancing productivity and production is concerned, this is already there. An amount of Rs. 105 crore has been proposed to be spent during the Ninth Five Year Plan to upgrade the plantations, increase productivity per hectare and also production and also improve the blending quality and other aspects and also taking care of disease control and pest control. This is the mandate of the Coffee Board and the resources which it will mobilise through enhanced penalties rather than rationalised penalties for violation of certain provisions of the amended Act will be utilised for the purpose for carrying out research and development, providing adequate inputs, good seeds, good planting material and also loans. There are certain schemes for both traditional and non-traditional areas.

Shri B.K. Singh Deo has gone. He has asked about Orissa. Orissa is identified as one of the non-traditional areas for increasing the coffee production and bringing some land under plantation. The Coffee Board is taking up the increase of production and productivity and also promoting Indian coffee both in the national and international markets.

Shri Chacko having been the member of the Coffee Board and also being from the State which is an important State growing coffee has been intimately connected with this business and he has rightly recognised the need for depooling and freeing the growers of this compulsion. He has raised a very valuable point that in the case of glut, the prices dip below certain level and the growers may not be able to realise even the cost. I am pleased to inform you that Clause 26(1) of the Act empowers the Coffee Board to undertake market intervention operations in such a case and also that under Clause 16, the Coffee Board reserves the right to fix certain prices to take care of such a situation.

and the growers may not be able to realise even the cost. I am pleased to inform you that Clause 26(1) of the Act empowers the Coffee Board to undertake market intervention operations in such a case and also that under Clause 16, the Coffee Board reserves the right to fix certain prices to take care of such a situation.

So, that is already there. The Act is adequate in this respect too.

Regarding traditional and non-traditional areas, I may tell Shri Chacko that there is a scheme of the Government of India and certain areas have been identified as non-traditional areas for increased plantation and production of

coffee and the scheme also has some element of subsidy which the Government of India is giving to various States.

One important activity which the Coffee Board is undertaking is replacement of the old plantation. As he has rightly said in the case of both tea and coffee -- that is the problem -- certain plantations are more than 50 years old and so their yield is very low. That is true of tea as well as coffee. An adequate plan to replace the plantation with new plantation which will surely enhance production and productivity and also give new and good quality to the produce so that they can realise a better price is also being undertaken.

The problem mentioned by him about the leased forest land which is inhibiting the rehabilitation or impairing the plantation, is a matter which comes under the domain of the States. But the Central Government can take it up with the respective States and those inhibitions can be removed and I assure him that we can take it up with the state Governments.

About the support to the Coffee Board, I have already said that Rs.105 crore is proposed to be sent during the Ninth Plan and in the Eighth Plan a good amount of money has been spent on this programme.

मोहन सिंह जी ने बहुत ठीक बात कही कि अंग्रेजों के शासन काल में उनकी सरकार की जो जानीमानी नीति थी कि कुछ एकाधिकारवादी सरकारी नियंत्रण में परिषद और दूसरी चीजें बनाकर भारतीय उत्पादकों से कम से कम दाम में लेकर विदेशों में उसे महंगे दाम में बेचना, यहां लगे हुए अपने उद्योगों में काम कर रहे कर्मचारियों को सस्ता खाद उपलब्ध कराना और सस्ता कच्चा माल देना उनकी जानीमानी नीति थी। यह बात सही है कि कृषकों को जो स्वतंत्रता होनी चाहिए थी, वह न होकर कुछ इस प्रकार की विरासतें और विकृतियां चलती रहीं, इस संशोधन के साथ उनकी समाप्ति की जा रही हैं, आपने जो समर्थन किया, मैं आपका बहुत-बहुत धन्यवाद करता हूँ।