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Title: Calling attention to the situation arising out of shortage of SOP, 20:20:05 mixture and potash in the State of Karnataka particularly in Hassan and Mysore districts resulting in great difficulty to the farmers. The Minister of Chemical and Fertilizers clarified the position and the steps taken by the Government.

14.32 hrs.

SHRI H.D. DEVEGOWDA (HASSAN): Mr. Chairman, Sir, I call the attention of the Minister of Chemicals and Fertilizers to the following matter of urgent public importance and request that he may make a statement thereon:

"The situation arising out of shortage of SOP, 20:20:05 Mixture and Potash in the State of Karnataka particularly in Hassan and Mysore districts resulting in great difficulty to farmers and the steps taken by the Government in regard thereto."

">THE MINISTER OF CHEMICALS AND FERTILIZERS AND MINISTER OF FOOD AND CONSUMER AFFAIRS (SARDAR SURJIT SINGH BARNALA): Mr. Chairman, Sir, I am thankful to the hon. Member, Shri H.D. Devegowda Ji, for drawing the attention of the Government to shortage of Sulphate of Potash (SOP) 20:20:05 and Potash in the State of Karnataka and, particularly, in Hassan and Mysore districts of the State. In respect of SOP, Shri Devegowda Ji had written to me separately also. I shall like to clarify the position in respect of availability of these fertilizers in the State as well as steps taken by the Government.

Sulphate of Potash (SOP) is mainly used for cash crops like Virginia Tobacco, Grapes and Seed Potatoes. The estimated requirement of SOP during 1998-99 is 18,000 metric tonnes. This is met entirely through imports which are made from Germany alone. Imports of SOP are free and can be made by anybody without any special authorisation. However, it is Indian Potash Limited (IPL) alone which is currently importing SOP and making available through their dealers network and State institutional agencies in consultation with the State Governments which have responsibility for arranging intra-State distribution. Indian Potash Limited had made a plan to import 5,000 metric tonnes of SOP in April, 1998. But this could not materialise due to non-availability of vessel to carry such a small parcel, increase in SOP prices in international market and delay in contracting of Muriate of Potash (MOP) from Germany.

It is true that there was shortage of SOP in Karnataka during transplantation of Virginia Tobacco. Against the estimated requirement of 4,500 MT during Kharif in Karnataka, 1,825 MT have been supplied by IPL from their available stocks. This is inclusive of 300 MT which was rushed from the neighbouring States to overcome the shortages during the month of May 1998. In order that the situation of shortages is not exploited to the detriment of the farmers, IPL made 75 per cent of the stocks available for disposal to the State Government agencies in the State of Karnataka. Also, educational pamphlets in Kannada were distributed jointly by IPL and the State Government language to farmers informing them that those who could not use SOP as basal dose, could use SOP at the time of first top dressing in July 1998 with the same efficacy.

To meet the requirement of SOP during the remaining period in Karnataka and in other parts of the country, IPL has contracted 10,000 MT of SOP. This is due to arrive in the country during this month and as far as the State of Karnataka is concerned, the material will be positioned before the top dressing season starts.

Muriate of Potash (MOP) is a decontrolled fertilizer. The entire requirement of the country is met through imports which have been decanalised with effect from 7th of June, 1993. The imports are currently made freely on the trade account by several companies including IPL. The supplies to States are made by them directly in accordance with their requirement and in consultation with the State Governments.

For Kharif 1998, the State of Karnataka has projected a requirement of 1.23 lakh metric tonnes (LMTs). So far (up to 31.5.1998) the companies have reportedly supplied 21,034 MTs of MOP to the State. Against this, sales have been only 14010 MTs till 31.5.1998. The State has thus nearly 7,000 MTs of stock available. I am hopeful that the balance requirement of the State shall be met in the remaining period of the season and in case of any problems, IPL shall be asked to come to the help of the State Government.

This complex fertilizer is supplied to the State of Karnataka by various companies namely Fertilizers and Chemicals Travancore Limited (FACT), Rashtriya Chemicals and Fertilizers Limited (RCF), Gujarat Narmada Valley Fertilizers Company Limited (GNFC) and Zuari Agro Chemicals Limited (ZACL). Up to the end of May, the State of Karnataka had cumulative availability of 43,825 MT of 20:20:05. Against this sales have been only 12,932 MT. Thus the availability has so far been adequate to support sales. Further augmentation of supplies of 20:20:05 will be made by these companies in the coming months.

Before I conclude, I shall like to assure the hon. Member Shri Devegowda and others that even though these fertilizers are decontrolled and Government has no direct intervention to make as in the case of urea, we will take all possible steps for improved availability to farmers whose interests are uppermost in my mind.

SHRI H.D. DEVEGOWDA : Sir, I want to seek clarifications from the hon. Minister with regard to two or three points so that the problem that is now faced by the farmers can be solved in case the Government makes proper arrangements.

Your goodself has said in Para 2 that 4,500 MTs is the estimated quantity but the supply is only 1,825 MT and now to overcome this problem, because you are unable to supply for the basal dose, the officers have started educating the farmers by issuing pamphlets in Kannada language. For the first time, top dressing is going to overcome the problem of basal dose if it is not going to be given.

The pamphlets say that top-dressing will help the farmers. I would like to know from the hon. Minister whether this view is supported by any of the technical experts because it could have disease-prone effect on the quality of the tobacco and the productivity. I do not know whether it has been supported by the technical experts or not. These types of pamphlets make the farmers a little more confident about top-dressing. I am unable to understand whether this top-dressing is going to have some effect on the basal dose.

The hon. Minister in his reply has mentioned that about 90 metric tonnes of manure has been supplied to my district. I am not going to

argue for my district alone. The issue is that your Government has taken steps only in the month of April. As you rightly pointed out, this material should come from one country, that is, Germany. The agricultural operations start in the months of May-June-July. This is a very important issue and the department ought to have taken certain steps. The respective departments must know as to what is the quantity that is required State-wise. I do not know why there was a lapse on the part of the department, so far as making necessary arrangements to find out the quantity of SOP that is required is concerned. You said that 18,000 MT is the anticipated consumption during this year.

Sir, the second issue is about the MOP. You have mentioned in the last para of the second page that the required quantity is 1.23 LMT and the supply is about 21,034 MT. Already, 14,010 MT of MOP has been used, and the remaining stock is hardly 7,000 MT. For the whole year, 1.23 LMT of MOP is required only in Karnataka. If I am not wrong, the country requires about 15 LMT. What is the arrangement that has been made in this regard? It has been decanalised and, therefore, traders and several companies including IPL are going to import this precious material. I would like to know from the hon. Minister whether any of the traders have come forward till today to import this material because it has been decanalised. As it has been decanalised, is it not the responsibility of the Government to see that this quantity of 15 LMT, which is required for the whole country, is imported, if necessary under the OGL? Karnataka alone requires 1.23 LMT of MOP. The crux of the problem is that the rupee value has come down -- I do not want to go into the merits and demerits of the nuclear test at this stage -- and its present value is Rs. 42 or Rs. 42 plus against one dollar. So, the cost has increased by Rs. 700 per tonne, and the private traders are not willing to import this material. The whole country is going to suffer because of this, and there will be a shortfall in the agricultural production this year.

Unless you take immediate steps, you are going to land us in trouble. This is my firm conviction. The Government should immediately take the responsibility to meet that additional cost of Rs.700 per tonne because the rupee has fallen down. The dollar is now worth about Rs.42 or Rs.43/-. On account of this Rs.700/- per tonne, what is going to be the additional burden? I do not know whether the burden has to be shared with the farmers or by the traders because on account of this problem, either the IPL or the private companies are not coming forward to import either MOP or SOP and other mixtures. I do not want to go into the details.

The months of May, June and July are very very crucial periods for the farmers. For the kharif crop which you have mentioned in your statement, what steps is the Government going to take? Are you going to meet this additional expenditure and allow the private companies to import at the enhanced rate because of the dip in rupee value? Kindly clarify these points.

SARDAR SURJIT SINGH BARNALA: Hon. Member Shri Devegowda being a farmer himself has very correctly pointed out certain matters. He is worried about the availability of MOP in the State, saying that the requirement of his State, Karnataka is 1.23 lakh tonnes. In my reply, I have mentioned that so far, up to 31st May, these are the figures I have got. The companies have reportedly supplied 21,000 MT of MOP to the State. We will take all reasonable precautions.

Another question was whether the pamphlets were issued by IPL and the Agriculture Department of Karnataka Government and whether an expert advice has been taken.

The pamphlets were issued only after taking expert advice. For top-dressing also, the same effect can be obtained. A very large quantity of these pamphlets were issued in those areas.

SHRI H. D. DEVEGOWDA : The hon. Minister in his reply has said that we have got 56,000 MT of MOP. That is what you have said. My State alone requires about 1.23 lakh tonnes. What you have said in your reply, 7,000 tonnes still remains as on 31st May, 1998. That is already consumed in last seven or eight days because this is such a hard pressed potash and MOP.

All types of mixtures are to be manufactured only through the MoP. You all know about it. The available quantity of 7000 tonnes is going to be consumed soon. The Minister has given the position as on 31.5.1998. But today the position is something different. I would like to draw your attention to the fact that 56,000 metric tonnes, which is available now, is not at all going to fulfil the needs of the farmers in this country. The State of Karnataka alone requires 1.23 lakh tonnes. How can it be possible to serve the farming community? Every crop requires MoP. Through MoP, the other mixtures are going to be manufactured. I have not given what is the required quantum of the mixtures. Mr. Minister, you have also not spelt out as to what is the quantum of mixture that is required in the whole country. My only apprehension is this. You have just entered into a contract to import 2 lakh metric tonnes. When is it going to come? But it is not the only issue. The real issue of difference in price is there. It is to the tune of Rs.700/- per tonne. It is because of the fact that the rupee has dipped to the level of Rs.42 or 43 per dollar. What is going to be done by the Government? Is this additional burden to be carried by the farmers or the Government of India will come to the rescue of the farmers? Please clarify the position.

SARDAR SURJIT SINGH BARNALA: I have very clearly mentioned in my reply that already two lakh metric tonnes has been provisionally contracted and it is expected to reach the country by 30th June. So, there should be no apprehension of shortages. I did not say that we would have only 54,000 tonnes that is available with us. We are adding to that whenever it is possible.

The next question is regarding the value of rupee coming down and the rupee touching a low level of Rs.42 or something per dollar. But that has to be taken into consideration. So far, no concession has been announced regarding the devaluation of the rupee or the fertilizer likely to cost more. As I said, this is not the controlled fertilizer. Anybody can bring it. Even the State Government agencies can import fertilizer or through other agencies it can be imported. So, there is no likelihood of any shortage of fertilizer in the coming days.

SHRI H.D. DEVEGOWDA: It is not a question of devaluation of the rupee. It is left to the Government of India to take a policy decision in the matter. My only contention is about the additional burden to be borne because of the present situation. I do not want to go into the details. Already, there is an additional burden of Rs.700/- on the farmer's head. Or, will the Government of India take over that burden? Is the subsidy amount going to be increased? Please let me know.

SARDAR SURJIT SINGH BARNALA: The Government of India has not yet decided about it. It is the Agriculture Department which has to decide about it. I will not be able to answer that question now.

MR. CHAIRMAN : That is the apprehension of the former Prime Minister. But there is no apprehension as far as the Government of India is concerned. There is no problem.

SHRI H.D. DEVEGOWDA : Mr. Chairman, you are saying that there is no apprehension. But Rs.700 is the additional burden that the farmers have to bear with. Who is going to bear that amount? You are a farmer. I know your commitment to the farming community. Since you are presiding over now, you may try to tell the Government to take immediate steps...(Interruptions)

MR. CHAIRMAN: The Government has given the answer. We believe it. If anything is there, we will discuss it.

SHRI H.D. DEVEGOWDA : All that I request is this. Can you give a direction to the Government to bear the additional burden of Rs.700/- per tonne imposed on the farmer because of the recent nuclear tests? Everybody knows what happened to the rupee vis-a-vis the dollar. Why should a farmer carry the additional burden on his head? I would request you to give a direction to the Central Government that the additional amount of Rs.700/should be borne by the Central Government as additional subsidy. Kindly give that direction. That is only my humble request.

SARDAR SURJIT SINGH BARNALA: It has nothing to do with the nuclear test as such. That issue is unnecessarily being brought in. But all the same, as I said, this has to be decided by the Agriculture Department...(Interruptions)

SHRI H.D. DEVEGOWDA : Mr. Minister, you are a part of the Government.

SARDAR SURJIT SINGH BARNALA: Yes, I am a part of the Government. That is why I say that I will request my colleague in the Agriculture Department to consider this matter seriously.
