

18.05 hrs.

## HALF AN-HOUR DISCUSSION

[English]

Price Fixation of Sugarcane in  
Uttar Pradesh

MR. DEPUTY SPEAKER : We will now take up Half-an-hour Discussion. Shri Ram Nagina Mishra.

[Translation]

SHRI RAM NAGINA MISHRA (Salempur) : Mr. Deputy Speaker, Sir, before I start, I consider it my duty to express my thanks to the Hon. Speaker, through you, for allowing a discussion in the Supreme House of the country on the disparity in the fixation of price sugarcane for the farmers of eastern and western Uttar Pradesh. You have asked me to be brief, so I will be brief in my submission. I will present some solid facts before the hon. Minister in the hope that problems of sugarcane growers of eastern U.P. will be looked into sympathetically by the Government. Earlier, the hon. Minister had said that the price fixation of sugarcane is the State subject, the State Governments are to decide about it. We have no objection to it. My submission is a kind of petition for justice. There are 104 Sugar Mills in Eastern, Central and Western regions of Uttar Pradesh 23 Sugar Factories are located in Western region, 39 in Central region and the rest 42 in Eastern region. In all there are 104 mills. Out of these, 62 buy sugarcane at the rate of Rs. 27 per quintal and remaining 42 at Rs. 26.50 per quintal. Why so ?

If the price is being paid on the basis of recovery, then I would like to submit in this context—these too are official figures, right now I have with me the report of Western region upto 7th May—that the recovery in respect of 23 sugar mills of Western region is 8.31 per cent while the recovery in the mills in Central region is 8.86 per cent. Comparative figure in respect of mills in Eastern region is 8.90. Thus, the recovery percentage in 42 factories is 8.90, in 39 factories it is 8.86 and in 23 factories, it is 8.31. But the price being paid to the farmers is Rs. 27 per quintal in Western region and Rs. 26.50 per quintal in my area. Is this called justice ? If I am wrong, the hon. Minister

may kindly correct me during the course of his reply. I would like to submit that right now you are holding the top most position in this august House, but will such an injustice continue to be committed against the farmers ?

Recently on 20th, the Hon. Prime Minister whole-heartedly praised the farmers of eastern Uttar Pradesh at a big rally of farmers in Lucknow. He stated that the farmer of eastern Uttar Pradesh is now working hard as compared to the past and is producing more and more of foodgrains, sugarcane and all other commodities. When farmers returned home after attending the Prime Minister's rally, they were hopeful that since Hon. Prime Minister was happy with their performance and since he is occupying the highest office of the land, he will definitely do justice to them by removing disparity in the price of sugarcane. With this hope, a resolution was moved. I want to say that there is no justification in paying Rs. 26.50 to the farmers of eastern U.P. when recovery of their sugarcane is 8.90 while on the other hand Rs. 27 are being paid for sugarcane linked to recovery of 8.31 and 8.86.

My second submission is that out of 104 factories, 24 factories are old and have crushing capacity of less than 1200 tonnes. Incidentally, out of these 24, only 4 factories—2 in the Western and 2 in the Central region—are located outside the eastern region and the rest 20 sugar factories are all in the eastern region. Out of 42 factories in the eastern region, 20 have less than 1200 tonnes of crushing capacity, but now their recovery is good. On the recommendations of the experts, the Government of India has been paying for quite sometime Rs. 26 extra on levy sugar to such small factories whose crushing capacity is less than 1200 tonnes so as to meet the high cost of production. I do not know who is the expert on whose recommendation the Government withdrew this subsidy of Rs. 26/-. The farmers of eastern region only were affected by this decision. I would like to tell the hon. Minister to get all this analysed in order to judge whether injustice has been done to them or not. This decision will affect them to such an extent that the future of the farmer

[Shri Ram Nagin Mishra]

belonging to the eastern region would be bleak, their economic condition would weaken and it will not be possible for them to march forward any more. That is why I am telling the hon. Minister that injustice has been done to them, Please do not deprive them of those facilities which were given to them in the past.

I have one more submission to make. Perhaps there is no restriction on Gur and Khandsari. A new problem has cropped up. This year the production of sugar is much higher than that of last year in Uttar Pradesh and in the country as a whole. What is the position today in Mujaffarnagar, Bulandshahar and in the east? The farmers are apprehensive whether their sugarcane would be crushed or not. There were thousand of crushers in western Uttar Pradesh which are not running today. Prior to this, 30-40% of this sugarcane used to go to the Mills and the rest used to go to Kolhus and crushers, but sugarcane is not going to kolhus and crushers today. Sugarcane is still standing in the fields and the farmers have the apprehension that if the kolhus and crushers do not run, their sugarcane would remain there in the fields. The Government encourages small scale industries and since this is also a small scale industry, the Government should do something for them also. I would like to submit to the hon. Minister that he should consult the experts in this regard. If the khandsari units and kolhus are closed down, then farmers will have to face great problems and it will not be possible to crush the entire sugarcane.

Sir, I come from Deoria district. There are no sugarcane crushers there but *kolhus* are there in a large number. When I visited my constituency, I came to know that the police officers take Rs five hundreds to one thousand as bribe to let the truck go out from that area. As a result, all *kolhus* of that area have been closed down. This is a new problem. I would like to request the hon. Minister to publicise through radio and newspapers that there is no ban on making Gur and whoever takes bribe is violating the law. District Magistrate should be issued instructions in this regard. It is causing great harm to the farmers and bringing a bad

name to the Government. If there is any ban on making Gur, then I would like to submit that no such ban should be imposed on Gur. In spite of this, if a ban is imposed, then it will not be in the interest of farmers.

Government imports sugar and spend a lot of foreign exchange in the process. Some persons say that if we compare the prices of sugar, gur and khandsari with the prices of other commodities, it will become clear that products made from sugarcane are much cheaper in the country. The rise in the price of Gur or Sugar or very small as compared to the price rise in other items. Government imports sugar so as to make it available to the consumers at cheaper rates.

But this does not happen. I have to make another submission. The sugar mills have been set up in such areas where sugarcane is not grown. Due to modern technology, production of sugarcane is increasing day by day. There is no much sugarcane today in Mujaffarnagar, Meerut, Gorakhpur and Deoria that it is not possible for the existing sugar mills to crush such a huge quantity of sugarcane. Sir, I would like to put forward two demands. The first is that more and more licences should be issued to set up new sugar mills. The second is that Kolhus and Khandsari units should be revived, otherwise the future of farmers would completely be in dark. I would like to request the hon. Minister that keeping in view the feelings of Hon. Prime Minister and the aspirations of farmers, the disparity in sugarcane price being paid to the farmers of Eastern and Western U.P. should be removed and the farmers of east should also be paid Rs. 27 which the farmers of Western and Central Uttar Pradesh are getting, I wanted to press for a higher price but I am not taking up this issue right now. The Government has increased the price of sugar by 25 per cent. Due to paucity of time, only one demand which I am making is that the Government must remove the disparity in price between eastern and western region. This demand is justified and we hope that the hon. Minister will take action in this direction.

THE MINISTER OF STATE IN THE  
MINISTRY OF FOOD AND CIVIL SUP-

**PLIES (SHRI SUKH RAM) :** Mr. Deputy Speaker, Sir, in the reply to a specific supplementary question, which the hon. Member had asked through a Starred Question in this august House, I had stated that as far as the Central Government is concerned, it fixes only the Statutory Minimum Price under the Sugarcane Control Order keeping in view the recommendations of C.A.C.P. This is the minimum price, and no sugar mill can buy sugarcane below this price. But as far as the State Governments are concerned, they are competent to give a higher price and the Central Government does not interfere in it. Uttar Pradesh, about which the hon. Member has mentioned, fixed the price at Rs. 26 in the beginning but later on increased it to Rs. 26.50 in December but the price of sugarcane is Rs. 27 in Western Uttar Pradesh. As far as the Central Government is concerned, it fixes the prices on the basis of recovery but the State Governments might be keeping the geographical and other conditions in view while fixing the price of sugarcane. I do not know what considerations they have before them, but as the hon. Member has said just now, the percentage of recovery in eastern Uttar Pradesh is 8.90 while it is 8.85 or 8.86 in Western Uttar Pradesh. I am not sure about it because I do not have the figures with me. I have been told that the reason for this disparity is that the cost of production of sugar is higher in eastern Uttar Pradesh due to two reasons. The first is that the sugar mills are small and the second one is that the crushing period is very short. That is why they have kept this difference in price.

This question was raised by the hon. Member earlier also in the last session and as a follow up to the assurance given by the hon. Minister of Agriculture at that time, I apprised the Government of Uttar Pradesh of the views expressed by the hon. Member and I fully agree with the view that if the recovery rate in eastern Uttar Pradesh and Western Uttar Pradesh is the same, there should not be a disparity in the price of sugarcane. I assure the hon. member that I will again apprise the Government of Uttar Pradesh of the views of hon. member, as I have already stated that we do not interfere in this matter. This price of sugarcane which is also called

advise price is fixed by the State Governments and we do not interfere in this matter. However, since this matter has been raised by you in this House and I also know that eastern Uttar Pradesh is backward as compared to western Uttar Pradesh and hence they should get more assistance, I fully agree with the hon. Member. In this connection, maximum I can do is to convey your feelings regarding fixation of sugarcane price to the State Government of Uttar Pradesh, though we cannot direct them to do so from the Centre. I shall definitely convey this to them. I firmly believe that the Government of Uttar Pradesh represents the entire state no matter whether it is eastern, western or central parts. The State Government has to treat the entire state alike and they must have been giving equal treatment to the entire State.

Lastly, I want to make a request that you should also impress upon the Government of Uttar Pradesh that the sugar mills should be run on cooperative basis as is being done in Maharashtra. The main problem before us is that the cooperative spirit in sugar mills in north India is not as strong as is in their counterparts in Maharashtra. Such questions do not arise in Maharashtra because sugar mills are run there through cooperatives. If mills in Uttar Pradesh are also run on similar lines, such question would not arise there also. In Maharashtra they have fixed a procurement price for sugarcane. They purchase sugarcane at this price and produce sugar. After deducting the cost of production of sugar, the left over sum is distributed among the producers. If the mills in north India are also run on the same lines, this question of discrimination would not arise.

So far as the rate of recovery is concerned, since you come from Uttar Pradesh, I would like to tell you that you have to impress upon the Government of Uttar Pradesh to grow high yielding varieties of sugarcane in the State. Yield of sugarcane in Uttar Pradesh is 49.01 tonnes per hectare whereas it is 89.38 tonnes in Maharashtra and 107.96 tonnes in Tamilnadu. All that I would like to tell you is that you should strive hard to grow

[Shri Sukh Ram]

high yielding varieties of sugarcane there so that yield per hectare may increase. If yield per hectare increases in the state, the producer will get a higher price. Sugarcane production per hectare in your State is less than that in other States. You have to take steps to improve it. I feel that the Government of Uttar Pradesh must have been striving for it.

Since your question is limited in nature and I also respect your feelings, I shall see that your views are conveyed to the Government of Uttar Pradesh. You should also endeavour to increase the yield per hectare. If, as pointed out by you, there is no difference in recovery rate in eastern and western Uttar Pradesh, then your point is well taken that there should not be any difference in price.

With these words, I feel that the hon. Member must have been satisfied. While appreciating our legal difficulties, I hope he will impress upon the U.P. Government in this regard. Of course, we shall also try at our level.

SHRI RAM NAGINA MISHRA : You must issue directive about gur. We are facing a lot of difficulty in our area.

SHRI SUKH RAM : You have raised the question of gur and khandhari. The Central Government has no control over it. It is the State Government that controls gur and khandhari. So far as the question of fixing the price of khandhari is concerned, it comes under the jurisdiction of the State Governments. They can also fix price after getting approval from the Central Government. But as per information available, price of these items has not been fixed by any State except Andhra Pradesh. You have just now mentioned that restrictions have been imposed on gur; this also comes under the jurisdiction of the State Government. The State Government only must have imposed restrictions.

SHRI RAM NAGINA MISHRA : They have not imposed restrictions.

(Interruptions)

SHRI SUKH RAM : So far as I have understood your point, neither the State Government nor the Central Government have imposed restrictions on it. Why then do the police stop them? We shall try to obtain information in this respect from the State Government. If the restrictions have been imposed by the State Government, you may raise this question there also. (Interruptions).

Mr. Deputy Speaker, the question of the hon. Member was limited to that only and I feel that he must have been satisfied.

DR. CHANDRA SHEKHAR TRIPATHI (Khalilabad) : Mr Deputy Speaker, Sir, the hon. Minister has said very tactfully that this is a State subject. Undoubtedly, when the Constitution was framed, it was clearly stated therein that the subjects like Education, Irrigation, Food and Civil Supply etc. would come under the purview of the State Governments. But this supreme Parliament should see in what fields the State Governments are unable to work properly, where public interests are not being served and should arrange to bring such subjects under the concurrent lists. The Central Government have made laws in similar situations and have ensured their implementation by all State Governments. Therefore, if the poor farmers suffer loss, then the hon. Minister cannot shirk the responsibility simply by saying that it is a state subject. Parliament is a sovereign body and if irregularity takes place in any state, the Parliament should make laws courageously to check it in order to benefit crores of farmers and the State Government should be warned against such irregularities.

This I said in response to the hon. Minister's reply. I have some other points also to raise. Deputy Speaker, Sir, long ago, a primary school teacher had composed a poem during the British period. We are villagers and we find that the poem is as much relevant even today as it was in the pre-independence days :—

"Tanke rakta undel dihan, nisdin mahton se khel kiham Ganna se Tab gur kar paeen, waha sab chali gave lagani mein,

Sab kahat bahaar kisani mein".

A crop takes a period of one year to be ready for harvest. A farmer has to face many difficulties in producing sugarcane. He has to work hard in winter, summer and in rainy season. Then only he is able to grow sugarcane, while two or three crops other than sugarcane are raised in the same period. I would like to draw your attention to the fact that nowhere in the world or in India you will find an example whereby a commodity is sold today and its price is realised after four years. The poor farmer puts his body and soul together in producing sugarcane. But he does not get cash payment when he sells his sugarcane. The slips that are issued are not encashed even after two years and the poor farmer is forced to sell the hundred rupee slip at rupees seventy to the middlemen and capitalists. The whole country knows how the poor is exploited. I would like to say whether it is a matter related to the State Government, Municipality or Panchayat, it involves crores of farmers of India who are not paid their dues for as long a period as two years even after working hard throughout the year and investing all that they have. I want that immediate payments should be arranged. The payment should be made immediately after sugarcane is weighed. If our law in this regard is not strong enough, new laws should be enacted. The duty of our Government is to safeguard their interests and it is in consonance with the orders of our Hon. Prime Minister. The pertinent issue relating to the farmers producing sugarcane is that even today arrears amounting to crores of rupees due to the farmers are outstanding against mill-owners. The mill-owners are not making payments despite all effects. I would once again request the hon. Minister to use his good offices to see that payments of the arrears due to the farmers are made as early as possible. The Central Govt. should make arrangements for immediate payments of the slips which are pending for two to three years or else the taxes should not be taken from. Just now you have said that the per hectare production of sugarcane in Eastern U.P. is less in comparison to Maharashtra and Tamilnadu. The reason for that is non-availability of new technology. They are short of capital and

resources and are facing similar other problems. The pyrilla attack during the last three years has caused wilt in the sugarcane crop. I have time and again submitted to the Central Government that the farmers are perplexed and, therefore, the Government should arrange arrival-spraying of insecticides in their area because there is no other alternative to save the crop. But they have not come forward for help. Sugarcane is a commercial crop. When in reply to the questions relating to heavy losses in public undertakings, the Government says that the objective of the Government is to serve the people and not earn profits, then I would like to make a forceful demand to the Central Government that it must come forward for their help if the State Government is not in a position to help them. The hon. Minister has said that the Central Government fixes the statutory price. The Central Government has fixed Rs. 18.50 as the statutory price of sugarcane linked to a recovery of 8.5 per cent. I do not understand the arithmetic or formula of fixing Rs. 18.50 as the price when the farmers say that even Rs. 27 is unremunerative. It is causing them huge loss and as a result they will have to stop growing sugarcane. If the State Governments start giving the minimum statutory price then nobody will sow sugarcane in the country. The sugarcane growers do not get a remunerative price due to this minimum statutory price. Will the Central Government review it? Under-weighing of sugarcane poses another problem to the farmers. Under-weighing is a very important issue. Will you provide the poor farmer a safeguard against this increasing malpractice of under-weighing?

[English]

SHRI SHANTARAM NAIK (Panaji) : Mr. Deputy-Speaker, Sir, in the budget speech made by the hon. Finance Minister on 29th February 1988, he assured the House that the cooperative movement in this country is going to be strengthened in the future. I want to put one or two questions now. Ultimately the questions boil down to statutory prices and administered prices. As far as the Central Government is concerned, they are concerned with the statutory prices. But if the statutory prices in reality have no

[Shri Shantaram Naik]

meaning in practice, then I would like to know what is the basis under which statutory prices are fixed and what ultimately it is of use in practice to the agriculturists.

Secondly, the hon. Member in the last Session had raised the issue and a reply was given and thereafter, as you have said, the Ministry of Food and Civil Supplies had intimated the matter to the State Government expressing whatever feelings Misraji had stated. Now, to that letter what was the reply received from the State Government of U.P. whether you have at all received any reply and if so, what were answers with respect to the question raised by him. This question has not been answered.

Thirdly, as far as sugar is concerned, we are importing a lot of sugar to meet country's demand when there is shortage of sugar or even otherwise. Now, I would like to know whether you, as a guide to the consumers and the Ministry which looks after the consumers' interest, would appeal to all sections of society in the country to reduce the consumption of sugar at a particular stage. For instance, for a cup of tea we add two spoon full of sugar. But it is not absolutely necessary to take that much quantity of sugar. You will realise that it is not very essential. So, as you do in the case petrol and other fuel consumption to reduce or restrict consumption of petrol and crude oil, I would request you whether you will at least ask the consumers in the case of sugar also so that import of sugar is not done and save the valuable foreign exchange.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Mr. Deputy-Speaker, Sir, through you I want to put one or two important questions to the hon. Minister. Sir, on 23rd February, when this question was discussed in this House, I expressed the view that the answer given to part (c) of the question that increase in the retail price of levy sugar by Rs. 25 per quintal is primarily the result of increase in the statutory minimum price of sugarcane and the manufacturing cost of sugar is quite far from truth. Sir, earlier this statutory minimum price was Rs. 17 and later it was enhanced to Rs. 18 per quintal and

keeping in view the drought conditions and the natural calamities that have taken place in the country, they have increased it by 50 paise more per quintal. I would point out to the Minister that in view of this, several changes have taken place. The levy sugar price is increased by Rs. 25 per quintal, that is, for every bag of sugar the Government has permitted increase of Rs. 25. In fact, earlier the sugar factories were to give 65 bags of sugar produced under levy quota and they are free to sell only 35 bags in the free sale market. That was the ratio for quite a long time and only a few months ago, that is, in the last season, this ratio of 65 : 35 was changed to 50 : 50. That means, every factory can sell 15 bags additionally in the free market thereby getting additional profits to the management.

Sir, the price of molasses was controlled by the Government. It was only Rs. 60 per tonne a year and the Government had enhanced it in October 1986 to Rs. 120. Sir, all these several measures were taken by the Government. Because of this, the factories are permitted to take additional huge profits. Now, is it not the responsibility of the Government to see that these profits are passed on the farmers? Only today the hon. Prime Minister was telling that this Government is bent upon protecting the genuine interest of the farmer. If that is the case, Sir, naturally if you work out all these things, definitely the statutory minimum price of sugarcane at 8.5 recovery should be more than Rs. 19 and odd, Rs. 19.20 P or Rs. 19.50 P. In fact even the Indian Sugarmills Association has suggested to the Government to enhance this statutory minimum price to Rs. 19.50 P. And while that is the case, the Government has increased it to Rs. 18.50 P. Sir, unfortunately the whole trouble is with the Commission for Agricultural Costs and Prices. As my friend, Mr. Chandra Sekhar Tripathi has told, now the whole question is, in U.P. it is Rs. 26.50 P., in Tamil Nadu it is Rs. 25, and in Haryana it ranges from Rs. 28 to Rs. 32, and in Maharashtra the first advanced price is Rs. 240 per tonne and latter they will give two or three instalments. Sir, while

that is the case, what is the rationale in fixing Rs. 18.50 P. by this Commission for Agricultural Costs and Prices ? The irony is—because, Sir, you are also a friend of the farmer, I would like to quote only this much from page 10 of the report of the Commission for Agricultural Costs and Prices :

“The prices of fertiliser and diesel oil were raised in January-February 1986. Apart from the changes in the administered prices of these inputs, the wages of agricultural labour have also shown perceptible increase in most of the States. The impact of upward revision in the prices of fertiliser, diesel oil and that of increase in the wages on the cost of production of sugarcane would be to raise it by about 40 to 50 paise per quintal in different States.”

Sir, does it mean that the cost of cane cultivation per acre increased by only Rs. 120/- ? You know the transport cost of tractors has increased so much and the harvesting charges per tonne is nearly Rs. 10 more. The agricultural labour are demanding this because the cost of living has gone up and the prices of essential commodities have gone up, they are charging higher rates and the farmer has to bear it because he cannot keep the crop in his land because he will lose very heavily. The same Agricultural Costs and Prices Commission on page 8 has recommended :

“The Commission suggests that the State Governments should not enhance the level of State advised prices further.”

The Commission wants that the State Government should not enhance the State advised prices, but the factory owners can get huge profits in crores of rupees into their pockets. Sir, this is the attitude of the Commission for Agricultural Costs and Prices towards the cane growers of this country. In these circumstances, Sir, my only request is that it is a happy sign that my friend, Mr. Shantaram Naik has suggested that the Government should discourage sugar consumption. It is quite low and very recently after 1981, the consumption of sugar has increased. It

is to a bad sign. In fact, the Government should welcome it. And the consumption has increased by 55%. In these circumstances, my question to the hon. Minister is, in view of the fact that the whole policy of the Government is to protect the interests of the farmers, and in view of the points which I have brought to their notice, will the Government kindly reconsider and announce at least Rs. 20 per quintal of cane as statutory minimum price to really protect the interests of the cane growers.

The other important point which Dr. Tripathi has raised is under-weighment of cane in the weighing centre in U.P. A lot of corruption is going on, and the poor farmers who cannot grease the palm of the people who are working in the weighing centre are cheated by underweighment which lead to huge losses to the growers. In these circumstances, I ask the Minister through you, will the Government take into consideration all these things and all these factors which the Government themselves have provided. It is not that the canegrowers or the consumers but the Government themselves have created so many facilities to the factory owners. Will the Government enhance the statutory minimum price to Rs. 20/- ? Already Indian Sugar Mills Association is giving Rs. 19.50. What we are asking is Rs. 20 per quintal of cane which should be announced. Already the crushing season is going on. Your immediate announcement will help the canegrowers to get a better price from the factories. The State Governments would also enhance the State administered prices accordingly. You will be doing a lot of justice as well as help to the farmers.

SHRI ANAND SINGH (Gonda) : Sir, I want to ask the Minister one question...

MR. DEPUTY-SPEAKER : This is not allowed.

SHRI ANAND SINGH : The factories ... (Interruptions).\*\*

MR. DEPUTY-SPEAKER : It is not like that. I cannot allow.

(Interruptions)\*\*

\*\*Not recorded.

**MR. DEPUTY-SPEAKER :** Whatever he says would not go on record. I am sorry, I cannot allow.

The hon. Minister.

[Translation]

**SHRI SUKH RAM :** Mr. Deputy Speaker, Sir, first, I would like to reply to the question raised by hon. Shri Mishra. The ex-factory differential levy of Rs. 26 was recommended by a high level committee. This recommendation was made only in regard to those factories which have crushing capacity of 1250 tonnes and which were established before 1.10.1955 so that they could become viable. But in the review which was conducted recently, it was found that some factories have made it a source of income and that is why a notice was issued in advance that this would be discontinued from this year.

**SHRI RAM NAGINA MISHRA :** The cost of production of the factories with 1250 tonnes crushing capacity was higher and, therefore, that report is not correct. You should get an inquiry conducted in this regard.

**SHRI SUKH RAM :** Instead of utilising this benefit to make the factories efficient and viable and to strengthen them, they have made it a source of their personal income. This we came to know from the review. That is why we took this step.

One question raised by that side is that if the State Governments do not function properly and there are complaints, the Central Government should intervene. I think the hon. Member has been a Member here for a long time and knows as to what powers are enjoyed by the Centre and the States. Moreover, these are clearly spelt out in our constitution and we always follow it. Accordingly, the Centre never interferes in matters which fall within the jurisdiction of States. Therefore, whatever falls within the jurisdiction of the States, have to be dealt by the States only. You have raised this question here although it comes under the jurisdiction of the State Government. We have listened to you but as I have stated, we shall take it up with the State Government.

So far as payments are concerned, on the one hand, there are the sugarcane growers, on the other, we have the sugar mills and finally, we have the consumers. We have to keep in mind the interests of all of them and have to strike a balance. Hence, we are not thinking of one section only. Regarding statutory price, I have already stated that there are two Expert Bodies, the C.A.C.P. and the B.I.C.P. (Bureau of Industrial Costs and Prices) on the recommendations of which these prices have been fixed. As regards C.A.C.P., it is concerned with the cost of cane cultivation. The cost of cane cultivation and the cost of the inputs used are taken into consideration while recommending the price of sugarcane to the Government. The price given to the farmers includes certain amount over and above these costs, which gives them some profits and work in the form of incentive. For example, Rs. 17 per quintal was fixed last year but was increased to Rs. 18.50 per quintal this year. It has been fixed at Rs. 19 per quintal for the next year. This is done so that the farmers may not face any difficulty in marketing their produce and may get encouragement as well. They are aware that they will be getting the statutory minimum price but as I have stated, the State Governments enhance the minimum price payable to farmers. We do not intervene in that matter but so far as the question of levy sugar is concerned, B.I.C.P. prepares the schedule and accordingly, after taking S.M.P. into consideration, the price of levy sugar is fixed. You have stated that it should be Rs. 19 or Rs. 20. State Governments are giving more than that. There is one more point to be considered. Suppose the price of sugarcane is increased and as per your own complaint, the mill owners do not pay the price of sugarcane in cash, and as a result, the farmers suffer. We have the sugarcane control order in this regard. One provision in that is that the mill owners have to pay the price of sugarcane within 14 days of its supply. After 14 days if they do not make the overdue payments, they will have to pay an interest at the rate of 15 per cent. This is the rule. But this rule has to be implemented by the



State Government. We direct the State Governments from time to time to intervene. But if the State increases the State Advised Price, it will become difficult for the mill owners to produce sugar and arrears will go on accumulating. You yourself have stated that many mills have not paid their arrears.

In this connection, I want to inform you that so far as the year 1987-88 is concerned, out of the arrears of Rs. 969.21 crores, Rs. 776.32 crores were paid and Rs. 192.89 crores are still outstanding which works out to 19.9 per cent. This information relates to the period upto 31st January, 1988.

**SHRI ANAND SINGH :** Do these figures relate to Uttar Pradesh or some other State ?

**SHRI SUKH RAM :** The percentage in respect of Western Uttar Pradesh for the year 1986-87 is 8.4, for Central U.P. it is 14.7. The corresponding figures for 1987-88 in respect of Eastern U.P. and Western U.P. and are 23.4 17.0 respectively.

You may have noticed that the arrears have declined this year. As you are aware, we have increased the quota of levy sugar. Earlier we had increased the percentage of sugar under free sale and reduced the percentage of levy sugar. It was 45 per cent earlier. Now it has been made 50:50 This ratio is effective from last year. In this connection one more point to be kept in view is that despite increasing free sale sugar by 5 per cent and decreasing levy sugar to the same extent, the quota which stood at 425 grams per head, has not been reduced. Before February 1987, 3.13 lakh tonnes of sugar was released for this purpose and now it has been increased to 3.32 lakh tonnes. This is based on the total population of this country as on 1-10-1986. There would have been substance in the hon. Member's complaint had we reduced the quota of levy sugar. We enhance the quota according to the increase in population every year. If you want, I can give the figures as well. There was a 5.9 per cent increase in 1985-86, 4.8 per cent increase in 1986-87 and despite the drought and flood situation in 1987-88, there has been an estimated increase of

2.8 per cent. It may increase even further in future. Thus, we can say that we have increased the quota from time to time. We have tried to ensure that the sugar mills run properly and remain viable.

You may have seen that since the past two or two and a half years, sugar has selling at Rs. 6 or Rs. 7 per kg. in the open market although the prices of all other essential commodities have gone up. As regards the amount of sugar which we release every month, we do so with the intention of ensuring that the price of retail sugar in the open market remains stable and the consumers do not have to pay more. Our main concern is the poorer sections of the society, including the small and marginal farmers which constitute 76 per cent of our population.

**SHRI RAM NAGINA MISHRA :** The people living in the urban areas are able to get this sugar but the same is not available to the people living in the rural areas.

**SHRI SUKH RAM :** It is the duty of the State Governments to look after the functioning of the Public Distribution System. They should ensure that it functions properly. As it is, we also write to them from time to time and hold discussion in this regard. You may have noticed that we have increased the price by 25 paise recently. This small hike had become necessary because we had to raise the S.M.P. from Rs. 17 to Rs. 18.50 per quintal.

19.00 hrs

So far as molasses is concerned, it is true that its price has doubled. From Rs. 60 per tonne it has gone upto Rs 120 per tonne. However, if we look at the entire cost schedule, as recommended by the Bureau of Industrial Costs and Prices and other Expert Bodies, we will notice that consumers also benefit by 2 paise per kilo and it is not that the sugar mills alone have gained by this hike. The cost schedule is also considered while fixing the prices.

Just now Shri Shantaram raised the question of import of sugar. This is a delicate issue and our policy in this matter, in fact in every sphere, is that of self-

[Shri Sukh Ram]

reliance. We want to be self-reliant in the field of agriculture and accordingly we do not want to import at all. But when we are faced with natural calamities, for example, the unprecedented drought and floods which we are facing this year, we have shortfalls in production. If our production is not adequate, we will not be able to supply levy sugar in required quantities and as a consequence, the price of sugar in the open market will increase steeply. Hence, our effort is to ensure that sugar is available in the rural as well as urban areas without any difficulty and at a reasonable price. We are not happy to import but we do so to maintain the price level.

In the end, I want to submit that in our present Budget, we have paid attention to every section of society—agricultural, industrial or the consumers—and interests of all these sections have been protected.

So far as the Congress Government is concerned, you are aware that it accords maximum benefits to agriculture and the interests of the farmers are its prime concern all the time and, therefore, a number of appropriate steps have been taken in this regard. All classes are represented here and this Government is committed to the welfare of all of them and we have achieved success in this endeavour.

I think, all the issues which you have raised have been clarified.

[English]

MR. DEPUTY SPEAKER : The House stands adjourned to meet at 11.00 A.M. on 7th March.

19.03 hrs.

*The Lok Sabha then adjourned till  
Eleven of the Clock on Monday,  
March 7, 1988/Phalguna 17, 1909  
(Saka)*