

[Shri A. Charles]

mini industrial estate policy was brought forward and about 1,000 units all over the State were started and it is very unfortunate almost all have been closed down because of bad management. Public funds from the banks and from other financial institutions have been given to these units. They were all mismanaged by the Board Members. I would humbly request that some provision or some other legislation should be brought forward to cover those companies also. Section 15(1) relates to the constitution of the Board. 60 days' time is given to the Board for the finalisation of audited accounts and for reporting the matter but no time limit is given for the audit of the accounts.

MR. CHAIRMAN : You will continue your speech tomorrow.

16.00 hrs.

#### DISCUSSION RE : CRASH IN PRICES OF AGRICULTURAL COMMODITIES

[English]

MR. CHAIRMAN : The House will now take up discussion under Rule 193 regarding crash in prices of agricultural commodities like cotton, paddy, sugarcane, jute, coconut etc. I request Shri V. Sobhanadreeswara to initiate the discussion.

SHRI V. SOBHANADREESWARA RAO (Vijayawada) : Mr. Chairman, Sir. I thank you very much for giving me an opportunity to bring to the notice of this House the crash in prices of several agricultural commodities because of which the farmers are facing severe crisis. Sir, the cotton growers in several parts of the country are facing serious crisis. The crisis is ruling at lower level than the minimum support prices and in the meanwhile the traders and the middlemen are exploiting the cotton growers and unfortunately the cotton corporation of India has not woken up from its Rip Van Winkle sleep in several parts of this country.

Cotton has come to the Market ; but CCI has not entered it at several places. In fact, in Andhra Pradesh in Warangal,

Hyderabad districts, the cotton growers are experiencing a serious crisis. Of course, my Hon. colleague yesterday brought to the notice of the Hon. Minister through a Calling Attention Motion and I need not go in detail into these aspects. I wonder at the reply of the Hon. Minister that a CCI team will now visit Andhra Pradesh and find out how much quantity of cotton is to be purchased, at what rate. He said that a team will go now ; Sir, it is most unfortunate. The Cotton Corporation of India is there. It has got all necessary expertise or the administrative apparatus, market mechanism and everything at their control and in fact, it is the duty of the Cotton Corporation of India. Without any further instructions from the Government they should be watching the market. They should know what are the rates prevailing in the market and in fact, even before the prices crash below the minimum support level, the presence of Cotton Corporation of India should be there in the market to see that those rates should prevail which are higher than the minimum support prices. The Cotton Corporation of India should act as a catalyst; but I am sorry to state that it is going in the other way.

Sir, actually the cotton growers are not aware of how much the Government of India is giving to them in this year for different grades. Unfortunately sufficient publicity is not given in this regard to enable the farmers to know what is the minimum support price for the variety of cotton which he has grown. He does not know at what price he should sell. The Cotton Corporation of India should give him confidence. In case he is not able to sell it at a profit, the Cotton Corporation of India should come forward and purchase at the minimum support price. Unfortunately that situation does not exist today.

And I will request the Government at least to take immediate steps in this regard to enable the farmers to know the prices of cotton for this year. The prices of cotton are much below the minimum support price and at least now, without any further loss of time, the Cotton Corporation of India should purchase the Cotton from the growers.

16.06 hrs.

SHRI SHARAD DIGHE *in the Chair.*]

Last time the Cotton Corporation of India purchased cotton from the growers at very unremunerative prices. They were not commensurate with the price of cloth. I would like to bring to your notice that in 1980 mill made dhoties cost Rs. 28 per pair whereas to-day they are costing Rs. 42. Similarly, a mill made sari was selling at Rs. 37 whereas now they are selling at Rs. 57.59 in the retail market. But the cotton grower does not get the benefit of this increase and it is he who is losing and suffering.

This year the Government has decided to import one lakh bales of cotton much against the suggestions and opinions expressed by the cotton-growers and their Co-operative Federations in several parts of the country. The Government say that they are taking only some precautions so that it will not adversely affect the market. You have promised that a special team consisting of the Secretaries of the Finance, Department of Textiles and the Department of Agriculture, they three, will decide when this cotton should be released. But, unfortunately, our information is that already this 1 lakh bales of short and medium staple cotton imported has been released to the mills thereby artificially dampening, reducing and arresting to prices of cotton which is contrary to the interests of the cotton-growers. So we request that the Government should not allow such things to happen.

The Cotton Advisory Board has estimated that this year we will have a surplus of 4.72 lakhs of bales of long and extra long staple cotton and till now in spite of several demands and suggestions from Maharashtra State Cotton Co-operative Federation and the Gujarat State Cotton Co-operative Federation and also the Andhra Pradesh Government, the export quota has not been announced till now. We do not know why the Government is not announcing the export quota. If the export quota is released, it will have an

atmosphere in the market and in turn, the prices of cotton will be increased and the farmer will get the real benefit. In this connection, last year the Government has given nearly 70,000 bales of cotton export opportunity to our Andhra Pradesh MARKFED. This year we request the Government to give a quota for 1 lakh bales of cotton for export to the Andhra Pradesh MARKFED.

Regarding jute, the jute-growers are the worst sufferers this year. Unfortunately, as one of my colleagues was telling, this Deepavali was not a happy Deepavali to lakhs of jute-growers of West Bengal, Bihar and UP. Last year the prices were ranging between Rs. 500 and Rs. 600. This year buyers did not give more than Rs. 100 though the minimum support price was Rs. 215. We demand through you to know what the Jute Corporation is doing all this time. It is not its responsibility to come to the rescue of the jute farmer? Otherwise for what purpose and for what objective is this Jute Corporation establish?

So, we are sorry to say that the Jute Corporation of India could not rise to the occasion and come to the rescue of the farmers. It is very strange that whereas the prices of jute gunny bags have increased by more than 150 per cent the jute price to the farmers has not increased even by 60 per cent during the last five years. This type of exploitation should be immediately arrested and the Government should come to the rescue of the jute growers.

As regards paddy the minimum support price fixed is Rs. 142/-. Paddy has already come in the market. We have been to Punjab on some occasion and on way back we were told by the farmers that they had to stay back at the market yard for a number of days to release their paddy. Of course, the FCI and other State agencies are purchasing but there also to some extent exploitation has taken place. In Andhra Pradesh in the last few days paddy has arrived in the market from East and West Godavari districts but while the minimum support price for common variety is fixed at Rs. 106.50 it is being purchased at Rs. 100 to 103 per bag of 75 kg. We request the Government to order the FCI to enter the market. The very presence of

[Shri Sharad Dighe]

FCI will create a mental pressure on the private trade and rice millers that if they do not purchase for a higher price the FCI is there to purchase the stocks. So, we request the Government to instruct the FCI to purchase paddy in Andhra Pradesh.

Last year the Prime Minister was kind enough to announce a bonus of Rs. 5 to wheat growers of Punjab. Of course, the elections were yet to be held and the government was very kind and sympathetic to the farmers of Punjab. We demand from the Government that they should do justice to paddy farmers also. They are also the farmers of this country. We request such a bonus to be passed on to the paddy farmers also.

Sir, now Government has decided to export wheat to other countries saying that there is huge buffer stock of 34 million tonnes of foodgrains. Just like wheat there is huge stock of rice and our country can benefit by exporting rice to other countries. At present only 'basmati' type of rice is being permitted for export. Fine and super-fine rice produced in this country in different States can fetch very good price in other countries and can indirectly help the paddy producers of this country to get better prices.

Sir, I am sorry to say that the prices recommended by Agricultural Costs and Prices Commission are not at all remunerative. In the case of paddy several State governments with full responsibility and information at their command had suggested better price to be given to paddy but unfortunately the Government was kind enough to fix the price at Rs. 142 only. This is a failure on the part of the ACPC. For three years, namely, 1980-81, 1981-82 and 1982-83 the minimum statutory cane price was fixed at Rs. 13 per quintal.

Does it mean that in this three-year period the cost of inputs like fertiliser, labour, pesticides, oil, etc. has not gone up? The prices of these inputs have definitely gone up. But unfortunately, the Government did not think it fit to increase the statutory minimum price for this commodity.

In the case of sugar-cane, it is helping many sections. The Government of India gets Rs. 400 crores as excise duty on sugar. The State Governments are getting as much as Rs. 300 to Rs. 400 crores by way of State excise duty and the people connected with the pharmaceuticals get alcohol at throw-away price. Even the waste bagasse which is thrown out after extracting the juice is sold at much higher price. From the statistical book I started the prices of some commodities and I have found that for fire-wood, the cost was Rs. 23.24 per 100 kg. in 1980 and in 1985 it is Rs. 46.69 per 100 kg. The goose that was laying golden eggs was doing to die. But now that the Government's decision is to give Rs. 16.5 per quintal for the sugarcane, a little life is given to that goose. I should congratulate the Government for the decision for Rs. 16.5 per quintal and Rs. 8.5 for recovery rate per quintal which is quite welcome. Sir, I would add that the increase in levy sugar price by 40 paise per kile to covered the entire increase in the cost of sugarcane was good enough to give benefit to the mills by way of increasing the free sale quota to them, that is, from 65.35 to 55.45 thereby increasing 10% additional sugar which can be sold in the free market. You are giving them an opportunity to make another Rs. 200 crores in this year. I suggest that this benefit should be passed on to the growers by way of increasing the statutory minimum support price for sugarcane from Rs. 16.5 to Rs. 18 per quintal.

Sir, similarly, in the case of tobacco, in Karnataka already auctions have started and the farmers are able to get only Rs. 16 to Rs. 17 per Kg on an average while they could get a price of Rs. 21 per Kg. last year. The traders are trying to exploit the tobacco growers. So, the Tobacco Board should come forward and purchase the commodity from the growers. The private traders are exploiting the growers in collusion with the importing countries. Why not our Government which is having so many agencies like FCI, JCI, CCI, etc. talk to the importing countries, purchase the tobacco within the country and sell it to the importing countries so that a part of profits can be passed on to the tobacco growers? I would therefore request the Government to keep all these

point in mind so that the interests of the growers are safeguard. country's economy is likely to collapse.

**THE MINISTER OF AGRICULTURE (SHRI BUTA SINGH) :** At least for auction system, you must thank the Government.

**SHRI V. SOBHANADREESWARA RAO :** Certainly, we support and congratulate the Government for the introduction of auction system. Otherwise there is no guarantee that the farmer will get his due for his commodity.

Sir, ultimately, the permanent solution lies in setting up infrastructural facilities like godowns at the marketing yards. In the absence of godowns, the farmer is compelled to sell his commodity at a distress price because he has to cater to his other requirements. If the godowns are available he can keep his produce in the godowns and take some part of his commodity as advance and sell it when the price is attractive.

In this respect also, we congratulate the Government for taking up the rural development programme. We are aware of it, but we suggest that the Government should invest much more money on that account and see that the godowns are constructed at all the required places.

With these few words, I conclude and thank you for the time given to me.

**SHRIMATI BASAVA RAJESWARI (Bellary) :** Mr. Chairman, Sir, I am extremely happy to participate in the discussion regarding distress prices in various commodities like cotton, paddy, jute etc.

We are aware that the entire economy of the country depends upon the agricultural sector of the country which forms eighty per cent of the country's population. The agricultural sector meets the requirements of food and clothing of the entire country and therefore plays a vital rule in the country. The very survival of the agricultural sector means the survival of the nation and if anything goes wrong with this sector, the entire base of the

Keeping this in mind, I would like to say a few words, how the prices had collapsed during this year. I come from Tungabhadra river area ; its water flows both in Karnataka and Andhra Pradesh. It covers four districts, namely Raichur, Bellary, Anantpur and Kurnool. Most of the area has been localised for dry-cum-wet crops. Very little area has been localised for wet cultivation. Moreover, it is a protective dam and not a productive dam. Very often, famine used to occur in those areas. The whole object of building this dam was to protect the existing crops. With that in view, the farmers had taken up cotton cultivation in this year.

But since last year, the farmers are in distress, because the cotton price has fallen very much lower than the support price. For the last two years, the farmers were getting good results. They had intensified their production by using various methods, by using high technology, by using costly pesticides and putting sufficient fertilisers. This was because they were getting good results and they were getting remunerative prices. This also led to increased area under irrigated cotton.

As you are well aware, we never knew of the Egyptian cotton grown in our country. As a child, I used to hear that Egyptian cotton was the most superior cotton in the world and people were crazy about it. But now we are proud that we are growing such cotton in our area ; it is called Varalakshmi of DCH-4 with long and extra long staple cotton. Thanks to our scientists we have developed this breed. We are proud that we are producing the same variety as the foreign agriculturists had been doing.

Now, what is the fate of the farmer who is growing cotton ? Prices have very much fallen in the market. There is no one to purchase the cotton. The entire produce is lying with the farmer. Most of the middle farmers, who are very poor, they do not have sufficient space to stock the cotton which they could not sell in the

[Shrimati Basava Rajeswari]

market. They are cooking outside their houses and stocking the cotton inside. This is the sorry state of affairs as regards farmers who have grown cotton last year. CCI has purchased some quantity, but they have not entered the market fully. The reason was given that the cotton that has been grown in this area is of slightly less than 80 per cent countage. I do not know the reason. I can find out why the countage is a little bit less. It may be due to various reasons like wrong usage of fertilizers or continuously growing in the same field and so on, and excessive use of pesticides and using adulterated seed.

**THE MINISTER OF AGRICULTURE (SHRI BUTA SINGH):** May be, the seed is not replaced.

**SHRIMATI BASAVA RAJESWARI:** It may be due to some adulterated seed also. Due to all these reasons the countage might have deteriorated. The farmer, who is ignorant of these things, is suffering very much. If the CCI insists upon this countage, who is there to purchase the left over stocks of these farmers? They are very much annoyed. I would request the Government to come forward immediately and enter the market and purchase the entire cotton which has been left over. New arrivals have already started coming into the market.

This area mostly consists of black cotton soil. We call it black cotton soil because except cotton, no other crop can be grown in this area. Still, wherever there are sugar factories, we are taking up sugarcane and wherever oilseeds can be grown, these are also grown. Still, there are many areas which are exclusively meant for cotton only.

In addition to the remunerative prices, I would like to suggest one more thing on this occasion. This cotton crop is highly labour oriented. Lakhs of people are depending on this crop at the time of harvest when they come for picking the cotton. It involves a huge employment potential. Keeping this also in mind, Government should think as to how to

protect the farmers who have taken up this cotton cultivation.

I would like to put a few suggestions before this august House. Firstly, whatever may be the left over stock, the CCI must immediately enter the market and purchase it. As far as the new arrivals are concerned, they should make arrangements throughout the State to purchase the cotton. Once the CCI enters the market, I think even the business people also respond. In this way, it will help the farmers by giving a very good remunerative prices. Secondly, huge exports should be allowed by the Government. Already, some cooperative institutions have applied to export 10,000 bales of long staple and extra length staple cotton. But permission has not been given so far. I have been told that Gadag Karnataka Cooperative Export Society has applied for permission to export 10000 bales of long staple and extra-length staple. They have not got the permission till now. Therefore, Government should come forward immediately to encourage such societies who are going to export cotton. There are a number of spinning mills in our State as also elsewhere. These spinning mills are generally named as cotton growers' mills.

The name itself shows that they are directly involved with the farmers. They directly purchase the cotton from the producers and spin it. Because of the new Textile Policy, the thread which they have spinned is not being stored and the huge stocks are still held up with the spinning mills. Therefore, the entire Textile Policy has to be revised in this context. At the time of my participation in the Textile Policy, I did say that it is going to affect the cotton growers. But anyhow yesterday, hon. Minister was pleased to say it is too early to come to some understanding or to some decision. Anyhow most of the Members who spoke yesterday and today, they are all of the same opinion that the Textile Policy should be revised immediately so as to come to the rescue of the cotton growers. And fourthly, regarding sugarcane also, very recently the Government has announced a little bit revision of prices, but since we are facing a lot of shortage of

sugar, as per our previous figures, to encourage the farmers, it is better that we should remunerative prices to them.

Already paddy prices also have gone below the support price. If you insist the State Government, I do not think that any State Government will provide sufficient fund because they may not have sufficient arrangement to procure the commodities in the open market. Yesterday, our Finance Minister who was kind enough to announce various measures for distributing the foodgrains to the weaker sections at the subsidised rates. I do hope if this scheme is continued, we would be requiring huge stock of foodgrains. I would urge upon the Government to collect huge stocks it is rice, jowar, paddy or wheat or whatever may be the case and try to see that the poorer sections of the society are benefited with our stand.

With these words, I thank the Chairman for having given me an opportunity to speak on this occasion.

SHRI MULLAPPALLY RAMACHANDRAN (Cannanore): I am rising for the second time, this year to present before this august House the plight of the coconut growers of Kerala. Although, I know that the subject under discussion is the fall in price of agriculture produce. I cannot but confine myself to the subject of coconut and coconut products since my State-Kerala is socially and economically dependent upon it.

More than 3 million families in Kerala earn their livelihood out of coconuts. But unfortunately, tragedy after tragedy seems to be fall them as the dreaded root wilt disease is now seem to be followed by an unprecedented crash in price caused chiefly by the machinations of big business Houses of Bombay.

Anyone visiting Kerala can see that a good percentage of the cultivated land is covered by coconut plantations. One might say that this is true of other States along the West Coast-like Karnataka, Maharashtra and the Union Territory of Goan. But in no other State is the economy so dependent upon coconuts as in Kerala.

No doubt that several factors may be responsible for the fall in price of coconuts but I am strongly of the opinion that the crash in price was caused by none other than the big business Houses like Tatas and Hindustan Levers who are the main coconut oil. These business concerns are able to manipulate the demand for coconut oil which in turn results in fluctuating prices. It is sad to note that these concerns even manage to import coconut oil and other synthetic oils which affects not only the price of domestic copra but also falls upon the economy of the country. According to the latest estimate the State of Kerala alone incurred a loss of Rs. 500 crores due to the crash in prices of coconuts.

Further it is a paradox that although coconut oil prices are falling day by day the prices of products of coconut oil such as Soaps and perfumed oils etc. are going up.

In this regard, it is my humble suggestion that import of coconut oil and other substitutes ought to be completely banned. Besides this, Government should come forward to fix a reasonable floor price for copra and coconut oil. The advice of the Coconut Board may be sought in the matter.

It is estimated that about 90% of the copra in the country is produced from Kerala. Even so, it is painful to note that the bulk of it is being transported to Bombay for milling and processing. If, therefore, provision for local milling and processing could be made by the Coconut Board or other Government agencies, and further if the marketing of copra could be done through the said Board or State Trading Corporation, then the price of coconut could be stabilized.

I stress upon the coconut cultivation in Kerala, not as a demand of the rich landlords, but as a cry of the toiling small and marginal farmers. It may be worthwhile to note that every family in Kerala has at least a few coconut trees. It is, therefore, essential that the Government should impress upon the Coconut Board or the State Government the need to extend subsidy to small coconut farmers.

[Shri Mullappally Ramachandran]

In this connection, the literally defunct Coconut Board should be asked to play a more significant role and be vested with increased powers. The Board needs to be revamped and made at par with other commodity boards like Coffee Board, Cardamom Board, Tea Board, Rubber Board etc.

What the people of Kerala need is not a temporary relief, but a long lasting solution to the problems faced by the coconut farmers. For this, Government may initially send an expert committee consisting of economists and agricultural scientists to study in depth the problems of coconut farmers in Kerala. The problem deserves utmost attention without further delay, as we cannot allow 3 million families to suffer indefinitely

Lastly, I would like to draw the kind attention of the Minister of Agriculture to the immediate need of a scientific cost analysis of different agricultural commodities, so that a remunerative price can be fixed for all agricultural products.

I sum up my suggestions once again by reiterating the need to ban import of coconut oil, to fix floor price for coconut and copra, to give a longer rope to the Coconut Board which should be made more effective to market coconuts and copra through S.T.C.; and as an immediate measure to send a study team to analyze the problems of several million people whose dreams and aspirations are interwoven with coconut cultivation.

[Translation]

\*SHRIMATI BIBHA GHOSH GOSWAMI (Nabadwip): Sir, I will speak in my mother tongue, Bengali.

\*Mr. Chairman, Sir, it is the bitter experience of India's farmers that when the price index of industrial products go up, the price index of agricultural products go down. In simple words we can say that the price of what the farmer buys is

high and the price of what he sells and when he sells, is low. In this twin process, 70% of the people of our country who are dependent on agriculture and whose number is nearly 56 crores are being exploited and grinded. By picking their pockets, a few dozens of monopolistic mill owners and traders are earning mountains of profit and the Central Government is acting as their most obedient servant in this nefarious work.

I am reminded of some old incidents in this context. In 1971-72 the Government advocated the cause of sugar mill owners in this House and decontrolled sugar in spite of stiff opposition from the opposition parties. As a result of this they helped the price of sugar to jump from Rs. 1.36 per Kg. to Rs. 4.60 per Kg. within a period of 3 months. In the period that followed, the price of sugar remained at a high level although a gentlemen's agreement was made. Steps were taken to buy sugar from the mill owners at a higher price and to export the same to foreign countries at a much cheaper price after paying crores of rupees as subsidy by the Government. The unfortunate thing is, that the sugarcane cultivators far from getting a just and remunerative price for their sugarcane, did not get even the cost of their production. They are not getting that even today. Some 20 houses of sugarmill owners continue to earn profits running into hundreds of crores of rupees by picketing the pockets of both the consuming public and the sugarcane cultivators. Of course we know that some portion of that fabulous profit has been donated to the election funds of the ruling party out of gratitude.

The same story was repeated in the case of cotton textiles also. In 1973-74, the Central Government decontrolled cotton yarn, in spite of our vehement opposition and created an opportunity for the monopoly cotton textile mill owners to double their profits. The Government turned a deaf ear to our strong protests. The price of cotton yarn went up two fold and the weavers were doomed. Then the

price of handloom cloth was increased and again an opportunity was exacted for increasing the price of mill made cloth. The handloom weavers and the purchasing public both were very hard hit. But did the cotton growers get a just and fair price? The answer is No. They did not get a just price then and they are not getting a just price now also. Because the policy of the Central Government is that the consumers will groan under the pressure of rising prices, the growers will be deprived of a fair price and a handful of monopolistic industrialists and businessmen will establish a reign of unrestrained plunder.

Now I will come to Jute. Sir, jute is the principal foreign exchange earner of our country. But the history of the last 38 years of the post independence era of our country. is the history of the tears and exploitation and deprivation of our jute cultivators. When India was partitioned, the situation was that the jute growing areas were in East Bengal (Pakistan) and the jute mills were in West Bengal. The leaders at Delhi were much perturbed about saving the foreign trade of our newly independent country. They gave a clarion call to the farmers of West Bengal and said "Farmers of West Bengal if you give us one seer of Jute, we will give you two seers of foodgrains in exchange." The farmers of West Bengal responded to this call of our country's leaders and converted lakhs of acres of paddy growing land into jute fields and helped to maintain the level of our export trade. Thus they gave proof of their patriotism. But what did they get in return? In return of their sacrifice they got only misery, poverty, loads of indebtedness, disappointment, exploitation and deprivation.

Sir, how does the Agricultural prices Commission fix the price of a commodity? On what basis is the minimum price determined? Those calculations will have to be published in public interest, I demand it. During the British rule they decided that the price of one maund of jute should be equal to the price of 3 maunds of paddy. This was decided on the basis that with the same amount of investment, labour and hardship etc. that goes in the production of one maund of

jute, 3 maunds of paddy can be produced. This comparative study was made by them. In accordance with that, the minimum support price of jute should be between Rs. 426 and Rs. 453. Even if we consider the estimate of the post-independence period viz., that one maund of jute is equal to two maunds of foodgrains, then also what should be the minimum support price of jute does not need much calculation. The poor cultivators did not get even that much price in the post independence period. In 1977-78 the Public Undertakings Committee in their 8th Report had recommended that the price of jute should be fixed at Rs. 447.64 per quintal. The Committee said that in calculating the cost of inputs of the farmer, the cost of the labour put in by the farmer and the members of his family are not taken into consideration. This is a grave injustice. This must be taken into consideration in determining the cost of production. This is not considered by the A.P.C. If the cost of labour of the farmer and members of his family is taken into the calculation, then the price cannot be fixed at Rs. 215/- per quintal under any circumstances. I demand that this House must be informed on what basis has the price of jute been fixed at Rs. 215/- per quintal. The PUC recommended Rs. 447.64 in 1977-78. Keeping in view today's price level, is the demand of the farmers for a support price of Rs. 600/- per quintal for jute not fully justified?

Over 40 lakhs of farmers' families and 21/2 lakhs of jute mills workers' family are directly dependent of jute. All of them are suffering and are being exploited for protecting the interests of some 10 or 12 families of jute mill owners. Last year the jute cultivators got a just and remunerative price, because the market price went quite high. Although when the price touched Rs. 1000 or Rs. 1200, the actual cultivators did not have much stock of jute in their hands to get the full benefit of the high price. Most of the benefit of the high prices went to the blackmarketeers, hoarders, stockists, agents and the middle men etc. But at that time itself it was realised that this year the farmers will be encouraged to bring more acreage under jute cultivation because last year they got a better price for their



[Shrimati Badha Ghosh Goswami]

jute. A warning was also given that the jute mill owners, the agents middlemen etc. will all connive and conspire to see that the price of jute touched a all time low this year. That is exactly what has happened. But the irony is that the Government is also a party to this conspiracy to bring about a crash in the jute prices. As soon as the new jute season started in July, news started pouring in about distress sale of jute. In North Bengal and Bihar jute started selling at Rs. 180 or Rs. 200 per quintal. In Bihar at some places the farmers burnt their jute crop. In this House, on 28th July, in really to a calling attention motion, Shri Buta Singh gave an assurance that the Jute Corporation will enter the market immediately to buy jute and a buffer stock of jute will be created. JCI will purchase 33% of the jute crop. But actually the JCI did not enter the market before September. I want to know whether it is a fact that in July a secret circular was issued to the JCI by the Department asking them not to purchase jute before September? In fact the JCI did not enter the market to buy jute before September. On 2nd September, Shri Jagannath Misra the ex-Chief Minister of Bihar alleged in a statement.....I am quoting from the Hindustan Times dated 3.9.85, he said "Government agencies and middlemen had hatched a conspiracy to cheat farmers as the first deals had opened at Rs. 200/- a quintal, which is much less than the cost of production." This is the reason why the farmers burnt their jute. Because of this farmers of Kerala burn their coconut. For increasing the price of Jute, the farmers in the entire rural Bengal carried out agitations throughout July and August. They agitated unitedly for observing a 'Bandh' on 29th August. But their cries of anguish do not enter the deaf ears of the Central Government Sir, the district I come from, viz., Nadia district is primarily a jute growing area. On every bigha of land there, the cultivators have suffered a loss of Rs. 200 to Rs. 250. This year in my area the rural economy has been completely shattered. The farmers said with grief that they would have suffered a lesser loss had they dried their jute plants and sold them as fuel, because fuelwood sells at Rs. 80 a quintal

and all the inputs cost labour etc. involved in the washing and other intricate processes of producing jute could be saved. The Central Government is squarely and directly responsible for this plight of the farmers.

Sir, before, independence, the foreign exchange earned through jute was enjoyed by Bengal itself. After 15th August 1947, 80% of that earning was taken by the Centre. After another month one hundred per cent of that amount was taken away by the Centre. But in exchange, West Bengal did not get any special assistance from the Centre for the improvement of jute cultivation or the condition of the jute cultivators. I demand that all the jute producing States may be given adequate assistance in this regard in proportion to their production.

The potato season is about to commence. How has the NAFED been prepared to protect the interest of the growers? I want to know this because last year's experience is not happy. 60,000 quintals of potato was purchased last year through the cooperatives at the rate of only Rs. 60 a quintal. In West Bengal only 8000 quintals were purchased. What did the farmers get? The TCI purchases tobacco in Andhra only. Bihar and West Bengal also produce tobacco. The TCI should purchase tobacco in these State also.

In the end I will say that the apex institutions of Government like the JCI, CCI, TCI, FCI, NAFED etc. all have miserably failed in their objective. Far from giving remunerative price to the farmers, they have failed even in giving support price to the farmers.

In the end I make the following demands :

- (i) In determining the price of agricultural produce, the labour put in by the farmer and his family member should also be considered and the price of all agricultural commodities must be fixed on that basis. The

minimum support price of jute should be fixed at Rs. 600/- per quintal.

(ii) The price of all agricultural crops as fixed by the Government should be announced before the sowing season. The price of jute should be announced by January.

(iii) All the agencies like JCI, CCI, TCI, NAFED etc. should be directed to make purchase of agricultural products direct from the farmers at the beginning of the season itself and for this purpose purchasing centres should be set up extensively.

(iv) All the State Governments who want to give remunerative price for agricultural produce, must be advanced loans free of interest. In the interest of foreign trade, the producing States must be given special assistance in proportion to the quantum of production.

(v) There should be state trading of 14 essential commodities of daily use, which we have mentioned again and again. These should be distributed throughout the country at a uniform fair price to reduce the miseries in the daily life of the farmers.

(vi) All the sugar mills, jute mills and textile mills under monopolistic private ownership must be nationalised.

SHRI ZAINUL BASHER (Ghazipur) :  
Mr. Chairman, Sir, in our country, agriculture scientists, the farmers and the Government all have done so much hard work during the last many years after independence that agricultural production has increased manifold. There are no two opinions that today the farmers are producing much more than what they had been producing earlier. In spite of the fact that what they had been producing earlier. In spite of the fact that the

country remains affected either with famine or with floods, which results in damage to crops, the agricultural production has increased considerably. But in spite of all this there is no glow on farmers faces, on the other hand there is disappointment and restlessness among them. Why? The reason is that they do not get remunerative prices for their produce.

Government's claim of record output of wheat is correct but are farmers satisfied with the price being given to them for it? Is that price remunerative and whether Food Corporation of India is in a position to purchase whatever wheat is produced in the country? FCI is not in a position to purchase the entire wheat at the support price with the result that the farmers' have to sell their wheat in the market at a price lower than the support price.

Today, the situation in the matter of purchase of paddy is chaotic. FCI is not coming forward to purchase paddy result on that large scale with the result that in Uttar Pradesh, Haryana and Punjab the farmers have been forced to sell their paddy in the open market at Rs. 130 per quintal instead of the fixed price of Rs. 142 per quintal. As some hon. Members have stated, it is possible that at certain places it may be selling at Rs. 110 per quintal. The Government have fixed the support price of the paddy at Rs. 142 per quintal which is less if we take into account the actual expenditure but FCI is not in a position to purchase it at this price also. Consequently, the price of the paddy is falling down sharply.

This year the rainfall has been good and as a result thereof there is possibility of a bumper wheat crop. If the position of the FCI remained same, we will have to discuss the situation arising as a result of decline in the prices of wheat in the next session. We hear that the prices of cotton are falling. The prices of groundnut and jute have been declining daily. Today the farmer looks very gloomy and he is facing great difficulty. There is glow on his face which would have been there if the prices had been remunerative. Who has the solution for it? It is of course not with Shri Buta Singh but the Government can

[Shri Zainul Basher]

jointly find a solution. But I am aware of the difficulties faced by Government also.

On the other hand, Government have to ensure availability of essential goods to consumers at reasonable prices. We should also not forget that a large section of country's population lives below the poverty line. On the other hand Government have to ensure remunerative price to the farmers.

Farmers should get remunerative price for their produce whether it is wheat, cotton, jute, coconut or any other item and Government will have to keep a balance between the two.

I am pained to say that Government have failed in both the fields this year. The essential goods have not become cheap. Instead they have become costly and the prices of agriculture produce have declined. On the one hand poor people of this country have to purchase articles of daily use at higher prices and on the other hand, farmers have to sell their produce at very low prices. What should be done in this regard? The solution is with the Government.

Government have set up F.C.I. to purchase the commodities at the support prices so that prices may stabilise in the market and the farmers may produce more. In this way the prices will be stabilised in the market. Government have set up the Cotton Board and the Jute Board for cotton and jute respectively, but these organisations fail to make purchases. If these organisations make the required purchases, then the farmers' produce can at least be sold at the prices fixed by Government. And there after it can be discussed whether the prices fixed are remunerative or not. I understand that most of the Members will be of the view that the prices fixed are not remunerative. But F.C.I. should at least make maximum purchase at the prices fixed. Shri Buta Singh had been Minister of F.C.I. also.

S. BUTA SINGH : I was not Minister of F.C.I.

SHRI ZAINUL BASHER : Previously, Department of Food and Agriculture was with you. Even if it was not with you, you might be aware of it.

In the matter of corruption, F.C.I. tops all the public undertakings. If you want to give any trophy in this regard, you may give it to F.C.I. Shri Buta Singh distributes a large number of cups and trophies. The price of wheat is less due to this very reason. The position of paddy is still worse.

You come from Punjab. You might be aware about Punjab. Many Members, who have come from Punjab, are aware of it. We are very sorry. We come from Uttar Pradesh. Paddy is grown in our State also. A very low price has been fixed for paddy.

If Government fails to improve the working of F.C.I., at least the farmer should get the support price.

Cotton Board has been constituted, The hon. Members from the cotton growing States are protesting that the Cotton Board is not making requisite purchases. At least the Government agency constituted for this purpose should purchase the commodity at the fixed prices. Recently, potato price went down steeply. The Government agency did not purchase potatoes. Potatoes were sold at a price much less than the price fixed by Government. The result was that a large quantity of potatoes got damaged.

Same is the position so far as the price of sugarcane is concerned. Farmers are not happy with the price of sugarcane and consumers are not happy with the price of sugar. Both are unhappy. The increase in the price of sugar is far in excess in proportion to increase in the price of sugarcane. Who will be benefited by the excess amount? The excess will go to you in the form of profit. What can we say when the Government does the same thing which a *bantu* does? If, at least, Government agencies make purchases at the fixed

prices, much relief can be provided.

Seventy per cent of our population is engaged in agriculture. Unemployment is increasing. You are unable to provide jobs to all. You are bringing new technology in the country. It will result in unemployment of persons who are already working. Who will bear all this burden? This burden will be on agriculture, on farmer. Seventy per cent of our population lives in villages and these people are bearing the burden of country's population. With the increase in unemployment, burden on agriculture will increase. On the one hand, burden will increase and on the other hand the prices of agricultural produce will go down. The slogan of removing poverty from the country will become meaningless. There is no scope of any improvement in the situation.

I would like to give another suggestion to the hon. Minister. He is requested to assess the import potential of our agricultural produce. This year wheat has been exported. It is a very good sign. Production is expected to increase further. Arrangements should be made to export wheat to similar other commodities. Just now a Member had said that Government was not giving permission for the export of cotton. When you have no storage capacity for wheat, cotton, jute, paddy etc., you should grant permission for their export to other countries.

Secondly, I would like to point out that our storage capacity of agriculture produce is quite inadequate. Storage capacity should be increased at war footing. This work should be done either by the F.C.I. or other agencies so that goods can be stored there and they can be used in the hour of need and if there is need to export them, they can be exported.

This year the prices of agriculture produce have fallen to a great extent. As he is the head of the Ministry of Agriculture, he is required to protect the interests of farmers. This is my request to him. Some such arrangements should be made to ensure remunerative prices for the agriculture produce like cotton, groundnut, jute, coconut, etc. The farmers should at least get the price fixed by Government.

[*English*]

SHRI T. BASHEER (Chirayinkil) : Mr. Chairman, Sir, our country is an agricultural country. Our economy is mainly based on Agriculture. So, the discussion on the 'Crash in the prices of Agricultural Commodities' is very important so far as our country is concerned and so far as our people are concerns.

Mr. Chairman, Sir, I know that I have got only limited time to speak. Therefore, I will not go into the details of all the agricultural commodities.

I want to stress far the moment, the difficulties faced by the coconut growers in our State.

SHRI H.A. DORA : In Andhra Pradesh also.

SHRI T. BASHEER : Particularly in Kerala. I would like to draw the attention of the hon. Minister to the sufferings, to the agony, of the poor coconut cultivators of the land.

Coconut is the main crash crop in Kerala. About 65% of the coconut cultivation done in the country is in Kerala.

I would like to say it is a common man's cultivation. About 90% of the holdings of coconut are below one acre. It ranges from one acre to five cents. In every holding, you can see some 5 or 10 coconut trees. One can imagine how the economy of Kerala is interwoven with the coconut plantation.

I would also like to add that the coir industry and the copra milling and crushing industry are the two main traditional industries based on coconut plantation. The steep fall in prices of coconut has caused much agony in the life of the coconut cultivators.

17.08 hrs

[*Mr Deputy Speaker in the Chair*]

I am not going into the details. In

[Shri T. Basheer]

1984, the price of one coconut was Rs. 4/- Now it has come down to Rs. 1.50. You can imagine the figure. It is about 150% fall. So, this causes serious repercussion in the economy of the State of Kerala, in the economy of the coconut cultivators in Kerala and in the country.

I am not taking much time of the House. The cultivation expenses have gone up much higher due to increased cost of inputs and labour charge. So, now the situation is very serious. I think that the hon. Minister understands it. The people are suffering. It is an issue agitating the minds of the people for the last 6 to 9 months. I remember during our Budget Session, the same subject, the misery of the cocouut cultivators, was discussed here in this House through a Call Attention and many Members participated in that discussion and I remember the then hon. Minister had given some assurances. I would like to say that I do not question his sincerity. I know he is a man of sincerity. But nothing has happened. I know Government has taken some steps but without any result. There is no progress. During that Session when he was replying to the Call Attention, he said that he would convene a meeting of the concerned parties, concerned organisations, the Coconut Board and the State Governments concerned. But that did not take place. I urge on the hon. Minister to convene such a meeting at the earliest and discuss the problems connected with coconut cultivation in this country.

I also take this opportunity to give some suggestions and to raise some demands. I think, these are necessary and will help to save the coconut cultivators of this land from their sufferings. I request the hon. Minister and the Government not to throw them to their fate but to take some urgent steps. Otherwise, I do not know what will happen. So far as Kerala State is concerned, there is a serious situation existing there. The poor cultivators are in doldrums, they are in distress. So, I request the hon. Minister and the Government to come forward to save the situation.

First, as everybody knows, the main reason is import of coconut oil. It is happening. Last time also we demanded that it should be stopped and we got some assurance. Something happened. But, I am afraid, still import of coconut oil is taking place under cover of some industrial oil or something like that. So, I urge upon the Government to come out with a categorical statement that coconut oil will not be imported at any cost and should take steps in that regard.

Secondly, it is a long-standing demand of the coconut cultivators that a support price should be announced for coconut and copra. I request the hon. Minister to do it today itself. He knows the problem very well and I hope he will come forward to announce a support price for coconut.

As regards procurement, as my colleague Mr. Ramachandran has rightly put it, the fate of the cultivators is in the hands of the monopolists, the Bombay mill-owners and private traders. Government must find out some machinery for this; a government agency must come forward to procure the coconut—some agency like the STC. This should be done; otherwise the present miserable conditions will continue; the poor coconut cultivators will continue to suffer, suffer and suffer.

Then I would like to say that export of coconut products should be done. I know, we cannot compete in the international market because of the international price and all that, but for the time being, in order to tide over this difficult situation, Government must take a decision to export coconut and coconut products.

My next suggestion is, financial assistance for coconut cultivation. The hon. Minister knows, in fact everybody knows, that coconut plantations are suffering from a serious disease, the root wilt disease; replantation is necessary. It is a major problem connected with coconut cultivation. So, far the replacement, Government must come forward with subsidy, with financial assistance. Some schemes should be implemented immediately. Otherwise

this disease will kill this very precious cultivation, I am afraid, Sir.

The next point is that we were demanding for a long time that coconut must be categorised as an oil seed. Now it is not categorised as an oilseed. I don't know why. Other oilseeds are there ; but coconut is not categorised as such. I would request the Hon. Minister to recognise coconut as an oilseed, then only will we get the benefits of National Oilseed Development project. So, I would request that, this is a very important thing, a very serious thing, Government should be convinced on this because 95% of the coconut is used for extraction of oil. So, it is a seed for oil. I think, Government is convinced about this and they will take steps.

**MR. DEPUTY SPEAKER :** Five more persons from Kerala are going to speak on coconut. So, please wind up your speech.

**SHRI T. BASHEER :** Once again, I stress the difficulties faced by the poor coconut cultivators of Kerala and I am sure that the Government will come forward immediately to take steps to save the poor cultivators of my land.

**SHRI V.S. KRISHNA IYER (Bangalore South) :** Mr. Deputy Speaker, Sir. I wholeheartedly support the demand made by all the speakers who spoke about the remunerative prices to be given to the agricultural products. Sir, I will confine myself to only two sections of the growers about whom no mention has been made by the speaker who spoke just now.

Before that, I would like to know from the Hon. Minister how and on what basis the prices are fixed by the APC. Sir, I personally feel as a layman that there seems to be no scientific basis on which the rates are fixed. I would like to know whether the States have been taken into confidence while prices are fixed, whether the growers are involved in that process. It is very necessary Sir. I know as a legislator of 15-16 years standing that there has been a demand even in the legislature that the States and the growers must be involved in fixing the prices.

Sir, the cost of cultivation cannot be the same everywhere. It varies from place to place, particularly, in many places there are irrigated areas. Of course, in some places irrigation depends on tube wells and bore wells. There is a lot of difference. So, I would like to know from the Government on what basis it is being fixed.

Another observation is that the distress sale and fall in prices are mainly due to the policy of the Government in certain respects. Just now our friend from Kerala has explained about coconut. So far as cotton is concerned, our lady member from Karnataka has given a very vivid picture of the position in the State. I would like to say in this connection that the import policy of the Government has affected the growers in various respects. Particularly, Sir, because of import of coconut oil, coconut sale has been affected.

Another crop which does not directly concern the Agriculture Minister is the Mulberry growers. You know the state of affairs of the Mulberry growers. Karnataka produces 60 to 70% of silk. You must know the fate of the mulberry growers there. They are facing crisis. Because of the policy of the Government to import silk from China. The silk industry in Karnataka is being killed and the mulberry growers do not get attractive price. But he can consult the Government. Similarly, I would request the hon. Minister I know he is very sincere about it—that instead of importing edible oil you encourage the States to grow more edible oil seed crops. Karnataka has submitted a scheme to the Government in this regard. You give them assistance from the Centre, to bring more acreage under oil seeds and they will solve this shortage permanently.

Coming to vegetable-growers, most of us here use vegetables. I am fully aware that the worst-affected and exploited section of the farmers is the vegetable-growers. I have seen in my constituency with my own eyes that farmers come with vegetables with head-loads. They are just given a rupee or even eight annas and the middlemen reap all the benefits. This is happening in

[Shri V. S. Krishna Iyer]

Delhi also. Members here have complained of price-rise in vegetables but the increase in prices of vegetables does not go to the actual producer. I know it is not the responsibility of the Centre alone. But the State Governments have failed to protect this section. It is a hard-hit section. If the growers refuse to cultivate and if you do not give them support price what will be the fate of our country? I am sure an assurance will come from the Government that they will take earnest measures and that the growers of all the commodities which are mentioned here today, and particularly, cotton, paddy, coconut and also mulberry in Karnataka will get a minimum support price. We have got various Boards and Corporations. The main idea of constituting such Boards is to help the growers. But here the growers are neglected and only those who are engaged in the manufacture of finished products are given remunerative prices. This should not happen.

With these words I fully support that there should be remunerative price for all the agricultural products.

17.23 hrs.

## BUSINESS OF THE HOUSE

[English]

MR. DEPUTY SPEAKER : I want to know from the Members. The discussion on the subject will take, I think, a long time and it may go even after 6 O'clock. According to the list of speakers before me, I think it may go upto 10 O'clock. Why I am telling is that members should note the time factor and they should be brief and the Minister can reply to-day himself. Otherwise it will go to some other day.

SHRI V. KISHORE CHANDRA S. DEO (Parvathipuram) : On a point of clarification, Sir. Normally the political parties are given time according to their strength. Independents come finally. Now

I find you have departed from that normal practice. How can you call an independent Member before you call the recognised party. This is the first time you are beginning this practice. This practice was not followed earlier.

MR. DEPUTY SPEAKER : The same pattern is followed. If you want you can give in writing.

SHRI V. KISHORE CHANDRA S. DEO : Same pattern is not followed.

MR. DEPUTY SPEAKER : You please go through the records and verify.

SHRI V. KISHORE CHANDRA S. DEO : Independent members are never called before a party member. I protest and I will also give it in writing.

[Translation]

SHRI KALI PRASAD PANDEY (Gopalganj) : Just now while raising a point of order, an hon. Member made a reference about independent Members. There are many Parties which have only one Member in the House, whereas the number of independent Members is 4. Discussion on sick industries had taken place in this House previously also. I and Shri Datta Samant have been in queue since yesterday but we have not so far been given time...*(Interruptions)*

[English]

MR. DEPUTY SPEAKER : There is no point of order.

SHRI V. KISHORE CHANDRA S. DEO : Sir, it is a question of precedents and conventions. You are deviating from established conventions. If these are not established conventions, then why you call Telugu Desam first and like that.

MR. DEPUTY SPEAKER : If you find there is any deviation you please give in writing.

[Translation]

SHRI KALI PRASAD PANDEY :