

LOK SABHA DEBATES

1

LOK SABHA

Monday, November 24, 1986/Agrahayana
3, 1908 (SAKA)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER *in the Chair*]

WELCOME TO THE DUTCH PARLIAM-
ENTARY DELEGATION

[*English*]

MR. SPEAKER : Hon'ble Members, I have to make an announcement.

On my own behalf and on behalf of the Hon'ble Members of the House I have great pleasure in extending our warm welcome to His Excellency Dr. D. Dolman, Speaker of the Second Chamber of the States General of the Netherlands and Leader of the Dutch Parliamentary Delegation and other Members of the Dutch Parliamentary Delegation who are now on a visit to India as our honoured guests. The other Hon'ble Members of the delegation are :-

- (1) Hon. Dr. Bert de Vries, M. P.
- (2) Hon. Mr. Thijs Woltgens, M. P.
- (3) Hon. Mr. Erwin Nypels, M. P.
- (4) Hon. Mr. Robin Linschoten, M. P.
- (5) Hon. Jonkheer Govert van Tets, M. P.
- (6) Hon. Dr. Henk Waltmans, M. P.

The delegation arrived here on Friday, 21 November, 1986 morning. They are now

2

seated in the Special Box. We wish them a happy and fruitful stay in our country. We also convey our warm greetings and very best wishes through them to Her Majesty the Queen, the Parliament, the Government and friendly people of the Netherlands

ORAL ANSWERS TO QUESTIONS

[*Translation*]

*285. SHRI BALWANT SINGH
RAMOOWALIA†:

SHRI TEJA SINGH DARDI :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether the Commission for Agricultural Costs and prices has recommended Rs. 165/- per quintal as procurement price of wheat for 1987-88 ;

(b) whether Government have accepted this recommendation ;

(c) whether Government have received representations against this recommendation ; and

(d) if so, the reaction of Government thereto?

[*English*]

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) : (a) to (d). The recommendation of the Commission for Agricultural Costs and Prices on Procurement Price for wheat for the 1986-87 crop to be marketed in 1987-88 season is under active consideration of the Government and decision thereon is likely to be taken shortly.

SHRI BALWANT SINGH RAMOOWALIA : Sir, the Minister has evaded to give answer to part (c) of my question, namely, whether Government have received representations against this recommendation. No mention has been made to this part of my Question. I will ask the hon Minister through you to answer first all this part of the question. There is widespread resentment among farmers on this account and because of this, the farmers have lost their confidence in the Government. There farmers are feeling that there is none to look after the interests of the farmers. Keeping in view the fact that the Government has always maintained that increase in foodgrain procurement prices has an adverse effect on the price index and, at the same time, fixing a low procurement price made foodgrains production uneconomic for the farmers, what more steps is the Government taking to give relief to the farmers on the price front?

SHRI YOGENDRA MAKWANA: There is no representation received against this. But there is a set procedure under which when we receive the report of the CACP, it is circulated to the States for their comments. We have circulated the report of the Agricultural Prices Commission to the States for which we have received the comments from them.

So far as the prices are concerned, earlier also I have said on the floor of this House that we have to strike a balance between the consumers and the producers i. e., the farmers. We give remunerative prices to the farmer. I have with me the figures of 1983-84 and 1984-85 relating to the cost of production and the prices fixed by the Government which clearly show that there is an increase of price over the cost. We have also taken certain margin of profit in consideration. We give remunerative prices to the farmers.

SHRI BALWANT SINGH RAMOOWALIA : The hon. Minister has not come out with satisfactory answer. The hon. Minister says that he has comparative study of the price rise in the prices of inputs as well as the price of other commodities. But we do not need only the index or statistics. The farmers of this country want to know what steps the Government is taking

at least to reduce the prices of inputs. Is there any measure in the mind of the Government for a programme of crop diversification? Is something being done for agro-based industry to safeguard the interests of the small farmers who are the backbone of the country's economy?

SHRI YOGENDRA MAKWANA : The reduction of their prices of inputs is not in the hands of the Agriculture Ministry. Petroleum and other Ministries are concerned with fertiliser and other inputs. So far as the scheme of diversification is concerned, the Government has encouraged the farmers to adopt diverse crop patterns so that the farmer can switch over to other crops which are more remunerative than the traditional crop. We are encouraging the farmers in certain areas where it is not economical to grow the traditional crop, to switch over to certain other crops which can be more remunerative to the farmers. That is the scheme of the Government. Government is encouraging the farmers through the Krishi Vidyan Kendra and lab to land and other programmes.

PROF. N. G. RANGA : My hon. friend has asked not the State Governments have said. The hon. Minister has not given reply to the question put by my hon. friend.

Secondly, in view of the fact that Government themselves have given subsidised food to the vulnerable sections of the people, what the hon. Minister means by consumers cannot include these people. It includes only those who are vulnerable, who can be expected to pay, who are capable of paying. Earlier a question was put whether they are trying to achieve any kind of a parity between those people to who can pay proper economic prices and those prices which are needed to cover the expenses of the farmers. Their need is to get something more than the starvation prices. He has not given a reply to that. The third thing is, as he has himself confessed now, that in those areas where the production of foodgrains is not economical, this Government, as well as the State Governments are trying to advise the farmers to take to some other crops; That means they are leaving them at the mercy of the market forces. They are not coming forward to protect the farmers.

SHRI YOGENDRA MAKWANA : It is not correct to say that the farmers are

left at the mercy of the market forces. Let me tell the hon. Members, though you, that in 1983-84 the cost of production of wheat in Bihar was Rs. 140.07 per quintal; in Haryana it was Rs. 140.93 per quintal; in Punjab it was Rs. 137.47 per quintal; in Rajasthan it was Rs. 136.02 per quintal. This was the cost of production. Against those costs, the price given by the Government i. e. the support prices declared by the Government was Rs. 152 per quintal which is more than the cost of production. In 1984-85, also, the per-quintal cost of production in respect of Haryana was Rs. 141.31; Punjab-Rs. 136.33; Rajasthan Rs. 140.61. This is the cost of production. Against this, the Government declared Rs. 157 per quintal. So, when the Government fixes the price, they take all factors into consideration and a little bit margin of profit is also there, and then prices are declared. (*Interruptions*)

PROF. N. G. RANGA : The question is : what is it that the State Governments have said?

SHRI YOGENDRA MAKWANA : The State Governments are always recommending more than what the Agricultural Cost Prices Commission have recommended. Gujarat has recommended Rs. 230/- U.P has recommended Rs. 210/-; Punjab has recommended Rs. 200/- Haryana has recommended Rs. 175/- Orissa, Meghalaya, HP, Maharashtra have recommended Rs. 165/-

(*Interruptions*)

There are different elements which are considered for fixing the cost of production. In certain areas, it is not economical, even though, they are cultivating. Therefore, the price is more. But the Government has to taken an over-all view, considering the major States which are growing wheat .. (*Interruptions*)

[*Translation*]

SHRI NAWAL KISHORE SHARMA : Mr. Speaker, Sir, the hon. Minister has stated in his reply to the question that fair price is given to the farmers, which is based on the cost of production. But the cost of production worked out as per the price formula is very less as compared to the prices. I want to know:

(a) Whether the losses suffered by the farmers due to natural calamities like floods, drought, hailstorm etc., are taken into account in the price formula?

(b) Subsidy is provided on fertilisers to the small and medium farmers but recently we read in the newspapers that this subsidy is going to be withdrawn. Will you, therefore, assure the House that to maintain productivity by the small and medium farmers and to make production economical, this subsidy will continue?

SHRI YOGENDRA MAKWANA: Mr Speaker, Sir, so far as the second part of the question is concerned, that is a very good suggestion which I have noted down. Regarding first part whether natural calamities are taken into account or not, I would say that as it cannot be foreseen when the calamities will befall, possible losses due to this reason are not taken into account. But the Government comes forward to help when natural calamities befall and at the time of occurrence of floods, cyclones, hailstorm, drought etc. the Government of India assists the State Governments and the farmers and the house is informed about it. But these losses are not taken into account in fixing the prices of the commodities.

[*English*]

SHRI V. SOBHANADREESWARA RAO: Mr. Speaker Sir: The answer from the Minister is not satisfactory, you will also agree. There are mainly two aspects; firstly in spite of the calculations, the fact is that all the factors and the actual level of increase in the cost of production are not going to the arithmetics of the Agricultural Prices Commission. Of course, the price of fertilizers is taken into account—nobody can deny that. But the labour cost which has increased over the time is not fully taken care of.

The other aspect is that in the case of industrial products you are taking all the aspects into consideration and you are giving a reasonable price including some profit to the industries; whereas in the case of farmers, though you say that you are giving an element of margin of profit; and inspite of the fact is that the agricultural product is the only source of income to the farmers. In the name of consumers you are denying them proper remunerative prices. Keeping in view

some factors like natural calamities, which the Hon. Member has said, specifically in regard to the States which are by the side of the sea where there are frequent cyclones, APC previously have specifically recommended that a little over Rs. 5/-per quintal more margin should be paid to the farmers. Till now you have not agreed to that for that risk element.

PROF. N.G. RANGA : He has made the announcement here.

(Interruptions)

SHRI V. SOBHANADREESWARA RAO: Keeping in view that risk element will Government give them a higher price as per the recommendations of the APC.

PROF. MADHU DANDAVATE: The Deputy Prime Minister has assured you;

SHRI YOGENDRA MAKWANA: It is wrong to say that the labour is not taken into consideration. The Agricultural Costs and Prices Commission takes the actual wages paid to the labourers in a particular state while calculating the cost of production.

SHRI V. SOBHANADREESWARA RAO : We are giving much more than the minimum wages. Sometimes three times.

SHRI YOGENDRA MAKWANA: The labour that they have employed, including their own labour is taken into consideration. Farmers, in the course of farming are employing their own labour, i.e., himself his wife and children, they are also taken into consideration. In the paid out cost, the bullock labour, machine labour—hired or owned—rent paid for lease on land, besides cash and kind expenses on use of material inputs such as seeds, fertilizers, manures, pesticides, irrigation charges including diesel, electricity for operation of pumpsets are all taken into consideration while calculating the cost of production.

MR. SPEAKER: It is enough, we have taken 15 minutes for this question.

SHRI YOGENDRA MAKWANA: The price is fixed taking all this into consideration. There is no such proposal at present to consider.

MR. SPEAKER: Next question now.

Percentage of Fruit and Vegetable Output Processed

*287. SHRI N. SUNDARARAJ: Will the Minister of AGRICULTURE be pleased to state,

(a) the percentage of fruit and vegetable output in the country which is processed;

(b) how does it compare with other countries, particularly the agriculturally developed countries in Europe and countries like USA and Brazil; and

(c) the steps being taken to ensure expansion of this under-developed industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA): (a) to (c). A Statement is given below.

STATEMENT

(a) Nearly 0.3 percent of fruits and vegetables produced in the country is processed into various products.

(b) No exact figure is available from the agriculturally developed countries. However, it has been estimated that about 50% of fruits and vegetables is processed in those countries.

(c) The following steps have been taken to ensure expansion of the fruit and vegetable processing industry in our country:

- (1) the import of equipment and machinery for processing has been liberalized and the import duty has been reduced.
- (2) Efforts are being made to increase production and productivity of fruits and vegetables to make them available in sufficient quantity for processing.
- (3) Agricultural research for evolving suitable varieties for processing purposes is being taken up.
- (4) A plan scheme has been introduced for assistance to the State Governments.