

capable of taking any decision about the vacant land.

[English]

Linking of Price of Agricultural Commodities with Consumer Price Index

*189. SHRI M. RAGHUMA REDDY† :
SHRI DHARAM PAL SINGH
MALIK :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether there is any proposal under consideration of Government to link the prices of agricultural commodities with the consumer prices index; and

(b) if not, the reasons thereof?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) : (a) and (b). A statement is given below.

Statement

(a) and (b). No such proposal is under the consideration of the Government at present. However, the Government had amended the terms of reference of the Commission for Agricultural Costs and Prices in March, 1980 and the Commission was enjoined, *inter-alia*, to take into account the changes in terms of trade between agricultural and non-agricultural sectors. In observance thereof, the Commission while making recommendations on procurement/support prices takes into consideration, among other factors, changes in the prices of commodities purchased by the farmer for use as inputs as also for his home consumption vis-a-vis the prices received by him for his produce sold in the market. The Government announce procurement/minimum support prices on the basis of the recommendations made by the Commission for Agricultural Costs and Prices.

SHRI M. RAGHUMA REDDY : Sir, the unfortunate reply of the hon. Minister has to decide the unfortunate fate of the

farmers. Actually, I fail to understand whether this Government is working for the consumers and whether this Government is working for the farmers.

(Interruptions)

Why the Government is afraid of the urban people who are mostly consumers? The farmers are producing crops by spending, day-by-day, so much of money; they are selling their land and the other goods to repay loans which they got from various sources. They are taking all the risks of the floods and droughts. Even then, this Government never comes to the rescue of the farmer. I will give you a small example. Recently the price of sugarcane has been increased by one rupee per quintal. The State Government of Andhra Pradesh last year gave a subsidy of Rs. 65 per tonne of sugarcane and it comes to Rs. 22.5 per quintal last year itself whereas this year you are giving Rs. 18 per quintal. I want to know from the hon. Minister whether this Government is committed to the upliftment of the agriculturists or whether the Government is going against the cultivators, whether the Government wants to become the enemies of the cultivators. I want a categorical answer from the hon. Minister. I want to know what is the percentage of gap between the producers' price and the consumers' price.

SHRI YOGENDRA MAKWANA : This Government stands for the interests of both the consumer as well as the producer, both the farmer and the consumer, because the farmer himself is a consumer, after all, for certain commodities; Government has to strike a balance between the two...

PROF. N.G. RANGA : Are you doing it?

SHRI YOGENDRA MAKWANA : Yes. The farmers should get remunerative prices and at the same time the consumer also should get the goods at reasonable price. So, the Agricultural Prices Commission strike a balance between the two, so that the farmer is not at a loss and he is encouraged to produce more and at the same time and the poor consumers in

the slums and other areas also do not starve...

PROF. N.G. RANGA : That is the theory.

SHRI YOGENDRA MAKWANA : That is the theory and that is followed.

So far as the specific concern of the hon. Member is concerned, we are paying remunerative prices to farmers.

SHRI M. RAGHUMA REDDY : Not at all. Sir, he has not answered to my question.

MR. SPEAKER : The question he put was simple : between the consumers' price and the farmers' price, why can't there be a correlation with each other ? For every increase in the price index, the D.A. goes up for the workers. Why can't it be done for the farmers ? That is what he wants to know. Why do you have two theories about it ?

THE MINISTER OF AGRICULTURE (DR. G.S. DHILLON) : There is some sort of misunderstanding because, as I told the House earlier also, all these factors are taken into account... (Interruptions)

MR. SPEAKER : Order, order. Let him answer first. He can ask the question again. First let the Minister answer. Then only you can ask questions.

[Translation]

SHRI RANA. VIR SINGH : Mr. Speaker, Sir, we have been hearing this for quite a long time ?

DR. G.S. DHILLON : Without listening, you have started speaking.

[English]

The Agricultural Prices Commission, as I said earlier, takes into account the terms of trade both on the consumers' side as well as on the farmers' side. The guidelines provided there are : (1) cost of production; (2) changes in input prices; (3) input/output price parity; (4) trends in market prices; (5) demand and supply; (6) inter-crop price

party; (7) effect on industrial cost structure; (8) effect on general price level—this is indicative of answer to his question; (9) effect on cost of living; (10) International market price situation; and (11) parity between prices paid and prices received. So, they take into account all these factors in which consumers' interest is also considered and then prices announced.

SHRI M. RAGHUMA REDDY : My specific question was what is the percentage of gap between the producer's price and the consumer's price.

(Interruptions)

SHRI YOGENDRA MAKWANA : The consumer Price Index is fixed by the Ministry of Labour and it is an index for the industrial workers as well as for the agricultural labourers. The farmer consumes many commodities like fertilizer, pesticides, etc., which are neither consumed by the industrial worker nor by the agricultural labourer. So, the Agricultural Cost and Price Commission takes these into consideration which my Hon. senior colleague has just now listed. The commodities which are consumed by the farmer are taken into consideration while fixing the price of the agricultural commodities and not the price index which relates to the industrial workers and the agricultural workers. It has no reference and relevance to the agricultural prices.

(Interruptions)

SHRI M. RAGHUMA REDDY : The Hon. Minister has not specifically answered my first question. I would like to know whether the cost of cultivation of rural agriculture is taken into account by the University or ICAR. I would also like to know whether the Agricultural Cost and Price Commission consists of farmers, or trade representatives or only bureaucrats, what are their functions and how they are considering these points for the welfare of the farmer. I would like to have a specific answer from the Hon. Minister whether the Government is proposing any cooperative society for consumers and producers to eliminate the middleman in the picture.

SHRI YOGENDRA MAKWANA : As far as the second part of the question is concerned, the answer is yes. The Govern-

ment is promoting cooperative movement in producers as well as in consumers area. There are consumers' cooperatives to which the Government is helping by giving them grants, subsidies and also loan.

He wanted to know about the things which are taken into consideration. There is a long list and I would like to inform this to the Hon. Member through you Sir, so that they will know what are the things which are taken into consideration while fixing the prices of agricultural commodities. It includes the hired human labour, bullock labour, machine labour—both hired and owned—rent paid for lease on land besides cash and kind expenses on use of material inputs like seeds, fertilizers, manures irrigation charges, cost of diesel, cost of electricity for operation of pumpsets. Besides, the cost of production also includes the imputed value of family labour. His own family labour is also taken into consideration. The cost also covers depreciation of farm machinery and buildings. As such, the cost of production covers not only paid out costs; but also imputed value of own assets including land and family labour for which he does not incur cash expenses. So, all these are taken into consideration.

PROF. N.G. RANGA : What about the cost of credit ?

SHRI YOGENDRA MAKWANA : That is also there. While fixing the cost of production all these elements are taken into consideration including his own farm labour, the rent paid by him on the land, the inputs which he has used and then the cost is fixed. Apart from this, there is a small margin of profit also given to the farmers while fixing the price.

SHRI M. RAGHUMA REDDY : I wanted to know the composition of the ACPC.

SHRI BASUDEB ACHARIA : Sir, you should allow half-an-hour discussion on this.

SHRI BALASAHEB VIKHE PATIL : It should be under 193.

(Interruptions)

SHRI YOGENDRA MAKWANA : Sir, we have already laid on the Table of the House long-term price policy. There will be discussion on it.

[Translation]

SHRI DHARAM PAL SINGH MALIK : Mr. Speaker, Sir, the hon. Minister has stated in his reply that the name of the Commission which used to fix the prices of agricultural produce has been changed to the Commission for Agricultural Cost and Prices, but from the reply given just now, it seems that merely the name of the Commission has been changed and not the functions. The result is that the farmer has not been benefited from it. The way lectures are delivered, they are not going to satisfy the farmers. When the prices of the commodities used by common man increase, we pay D.A. to the Government employees, but the prices of the agricultural produce are increased at a time when these have been passed on to the intermediaries. I would like to know from the hon. Minister whether any scheme is under consideration of the Government whereby the profit earned by the intermediaries is done away with so that this profit may go to the farmers. Along with it, they do not want to increase the prices according to the General Price Index, which is also known as the Fair Price Index. About this, the hon. Minister has already replied, but my submission is whether you intend to increase the prices of the agricultural produce in proportion to the increase in the prices of agricultural implements ?

SHRI YOGENDRA MAKWANA : I have already stated that the prices of the agricultural implements are also taken into consideration. While fixing the cost we take all these factors into consideration. The increase in the prices of implements is also taken into consideration at the time of fixing the prices.

SHRI DHARAM PAL SINGH MALIK : Mr. Speaker, Sir, my question has not yet been fully replied.

MR. SPEAKER : Mr. Malik, the question needs to be probed in detail. In my view a detailed discussion should be held on it. The Ministry and all of us should think together as to how intermediaries

pocket all the profit. Tomatoes are purchased at the rate of Rs. 1 per kg. from the farmer, but are sold in the market at the rate of Rs. 8 per kg. Similarly, 'Bers' are purchased at the rate of Rs. 2 per kg. from the farmers, but are sold at the rate of Rs. 12 per kg. in the market. Similarly, the second question he raised was—

[*English*]

—link the prices of agricultural commodities with the consumer price index.

[*Translation*]

You allow promotions to the Government employees and workers both. Why then do you discriminate against the farmers? If against the target of 100 tonnes, the workers produce only 25 tonnes, even then they get bonus, increments etc. but when the farmer produces more, he gets lesser prices. On this issue, we have to think together.

DR. G.S. DHILLON : I am also a farmer and I also speak in the same manner in which he speaks today... (*Interruptions*)

MR. SPEAKER : All are to be treated equally.

(*Interruptions*)

DR. G.S. DHILLON : The prices are fixed by the Agricultural Prices Commission. Shri Malik has made a mention of middlemen. We are ready to discuss this in the House. It is not that we have already formed our views on this issue.

You had raised the matter about tomatoes. We shall find out that also at what price it is purchased and at what price it is sold?

(*Interruptions*)

Other vegetables are also there like brinjals and potatoes. We will have a discussion on them and all the cereals.

(*Interruptions*)

SHRI RANA VIR SINGH : Not to speak of other items, if even half of what has been the increase on maintenance is

given, that will be good enough. You may provide even half of what has to be spent on maintenance per bag.

(*Interruptions*)

MR. SPEAKER : Let Shri Dhillon speak. He will do something. He knows about it. He himself is a farmer. He is aware of all the things.

(*Interruptions*)

MR. SPEAKER : That will also be asked.

DR. G.S. DHILLON : The thing is that whatever we discuss, Agricultural Prices Commission must be involved with that, because ultimately the power rests with the Agricultural Prices Commission.

MR. SPEAKER : So that is to be streamlined... (*Interruptions*) If there is any difficulty, we shall solve that. The Parliament will set that right.

AN HON. MEMBER : How is it that all power has been delegated to it? Do we not have any power?

MR. SPEAKER : That has already been said. These people are resorting to strike everyday. If some day farmers go on strike, then people will die of hunger.

SHRI V. TULSIRAM : Mr. Speaker, Sir, fortunately you are aware of the difficulties faced by the farmers. On behalf of all the farmers I congratulate you for the concern expressed by you. This is an important issue. Let there be a discussion on it.

MR. SPEAKER : It will be done.

[*English*]

New Diamond Source in Andhra Pradesh

*190. DR. KRUPASINDHU BHOI : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether a new diamond source has been found in Andhra Pradesh by the National Geophysical Research Institute, Hyderabad; and