

Procurement and issue prices of wheat and support prices of barley suggested during the Conference.

(1)	Wheat		Rs. per quintal Barley
	Procurement Price	Issue Price	
Haryana	150	May be increased	140
Punjab	142	Raised reasonably but no increase for weaker sections	..
Karnataka	142	Proportionate increase	
U.P.	140	150—155	110
M.P.	140	..	95
Bihar	133	Some increase	
J&K		Would agree to Govt. of India's decision, provided it did not put any extra burden on the State	
West Bengal	some increase	No increase	
Rajasthan	127	141	110
Assam	127	Proportionate increase	
Maharashtra		Procurement prices should be different for different States keeping in view the cost of production	
Tamil Nadu		Did not attend	

No Government decision regarding the procurement price of wheat and support price of barley have been taken so far. These are likely to be taken during this month.

Incentives to new Sugar Units

*5. SHRI SHIV KUMAR SINGH
THAKUR:
SHRI B. V. DESAI:

Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is a fact that Government have decided to offer incentives to new sugar units in the country as reported in the *Indian Express* of 18th October, 1960;

(b) if so, the details of the incentives proposed to be offered to the sugar units and the period thereof; and

(c) the extent to which such incentives will be helpful in production of sugar in the country and to meet domestic requirements?

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION AND IRRIGATION (SHRI BIRENDRA SINGH RAO): (a) and (b). The Government of India have announced a revised scheme for granting incentives to new sugar factories on 4-10-1960. A note highlighting the salient features of the revised incentive scheme, as approved by the Government, is laid on the Table of the House.

(c) The substantial incentives will facilitate the setting up of new viable

sugar mills and expansion of the existing mills, wherever necessary and this would help in increasing production of sugar in the country for meeting the domestic requirement of sugar.

REVISED INCENTIVE SCHEME FOR NEW FACTORIES AND FOR EXPANSION OF EXISTING FACTORIES

The Government of India had been considering the matter of giving relief to newly licensed sugar factories and expansion projects in the context of the increased investment cost in plant and machinery to make them economically viable. The Inter-ministerial Group, appointed under the Chairmanship of Shri C. N. Raghavan, Joint Secretary (Sugar) in the Ministry of Agriculture to revise an earlier scheme in operation from 1973, had submitted a report to the Government. After a detailed and careful consideration of the report, the Government have now decided to provide incentives to new sugar factories and expansion projects consisting partly of higher levy free sugar quotas and partly of excise duty concessions. The principal features of the revised scheme of incentives are mentioned below:—

1. Scheme would be effective from the sugar year 1980-81 and apply to the following categories of sugar factories in case of new units:

(a) all units covered by the previous incentive scheme *viz.*, commencing production during the period between November 1, 1975 and October 31, 1980. New units which commenced production after October 1, 1973 and before November 1, 1975 are also eligible to get the benefits of the scheme but in such cases, the concession would apply for the balanced period from the date of commissioning.

(b) New sugar factories already licensed which commence production within a maximum period of 39

months from 1-10-1980 would also be eligible to the benefits of the scheme.

(c) New sugar factories to be licensed in the Sixth Plan starting production within a period of 39 months from the date of their licence or letter of intent, whichever is earlier, will also be entitled to grant of incentives.

(d) In case of expansion projects, the following categories will be covered:

(i) All units covered by the previous incentive scheme *i.e.* commencing production during the period between November 1, 1975 and October 31, 1980.

(ii) Expansion projects already licensed which commence production within a maximum period of 39 months from 1-10-1980 would also be eligible to the benefits of the scheme.

(iii) Licensed expansion projects to be licensed in the Sixth Plan starting production within a period of 39 months from the date of their licence or letter of intent, whichever is earlier, will also be entitled to grant of incentives.

(iv) Incentives to expansion projects costing Rs. 1 crore and above may be granted subject to approval of the expansion by the Committee to be set up in the Department of Food and obtaining by the sugar factory concerned of prior approval of the Directorate of Sugar to the items of plant and machinery to be installed for the purpose of expansion.

Since expansion projects involve installation of machinery to serve the joint needs of replacement/modernisation and also expansion, the expansion projects would include modernisation and replacement, but incentives would be applicable to "Additional Production" which is attributable to expansion only.

2. Higher Levy Free Quotas:

(A) New Units:

Higher percentage of levy free sugar quota linked to a total f.o.r. cost of plant and machinery of Rs. 400 lakhs and above will be allowed as follows:

Year	HRA	MRA	LRA
First	90	100	100
Second	80	100	100
Third	70	100	100
Fourth	60	100	100
Fifth	55	65	100
Sixth	35	35	100
Seventh	35	35	100
Eighth	35	35	75

The incentives are proposed for a period of five years in case of high and medium recovery areas and eight years in case of low recovery areas. These levy free quotas will be calculated suitably in case of new units whose cost of plant and machinery is between Rs. 200 lakhs and Rs. 400 lakhs. This concession will not be admissible if the cost of plant and machinery is below Rs. 200 lakhs.

(B) Expansion Projects:

The higher percentage of levy free sugar quota admissible to expansion projects will be as follows:

Year	HRA	MRA	LRA
First	40	60	90
Second	40	60	90
Third	40	50	75
Fourth	40	50	70
Fifth	40	50	60

The incentives are proposed to be given over a period of five years. The higher free sale quota indicated above would apply only to that much of "Additional Production" in sugar season, which is either (i) in excess of production over the average of the last three years before the year of completion of expansion, or (ii) the excess of actual production (such actual production being limited to the norms of post expansion capacity) over the norms of pre-expansion capacity, whichever is lower. This will apply from the date of inception of the scheme.

3 Applicability of scheme to the factories who have already availed of some incentives

Factories which are eligible for incentives under the original scheme but had not availed of the incentives benefits or have partly availed of them would be fitted in the new scheme. Suitable compensation for shortfall in the quantum of incentives already availed would also be given.

4. Excise duty relief:

In spite of higher free sale quotas allowed, the new sugar factories, as well as the expanded units will be required to pay excise duty at levy sugar rates on the extra free sale quota of sugar.

5. Further details of scheme will be communicated to the industry and the State Governments shortly. It is hoped that entrepreneurs having licences for establishing new units or for expansion of their existing units would now be able to obtain requisite financial assistance from financial institutions and implement their licences without under delay.

Malpe Fishing Harbour

*6. SHRI S. B. SIDNAL: Will the Minister of AGRICULTURE be pleased to state:

(a) whether it is proposed to develop the Malpe fishing harbour with aid from the United Nations Development Programme; and

(b) if so, the broad features thereof and when the work is expected to be over?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI R. V. SWAMINATHAN): (a) The fishing harbour at Malpe is already under construction. No aid from the United Nations Development Programme is envisaged.

(b) The main features of the harbour are—construction of a wharf 295 meters, jetty 160 meters, training wall 2000 meters, dredging, slipway and other shore facilities. The harbour is designed for accommodating 200 fishing vessels of sizes varying between 10 to 28 meters.

The harbour is expected to be ready in March, 1981.

Loss due to Floods in States

*7. SHRI JAGPAL SINGH:

SHRI ARJUN SETHI:

Will the Minister of AGRICULTURE be pleased to lay a statement showing:

(a) the extent of loss of life, crop and property, State-wise, caused by the recent floods in various parts of the country;

(b) the States which have been most affected by the floods; and

(c) the Central assistance given to the State Governments to tide over the situation?

THE MINISTER OF AGRICULTURE AND RURAL RECONSTRUCTION AND IRRIGATION (SHRI BIRENDRA SINGH RAO): (a) A statement is laid on the Table of the House.

(b) and (c). Ten of the States, viz Andhra Pradesh, Assam, Bihar, Gujarat, Haryana, Karnataka, Kerala, Orissa, Uttar Pradesh and West Bengal, worst affected by recent floods have asked for Central assistance.

Rs. 148.65 crores have so far been sanctioned as ceiling of expenditure to the Governments of Assam, Gujarat, Haryana, Kerala, West Bengal and Uttar Pradesh. Further proposals for a ceiling of expenditure to the extent of around Rs. 50.85 crores are under consideration to Andhra Pradesh and Orissa. Assistance to Bihar and Karnataka will be considered after the report of the Central Team is considered by the High Level Committee.