

LOK SABHA DEBATES

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LOK SABHA

Monday, March 2, 1987/Phalguna 11,
1908 (SAKA)

*The Lok Sabha met at Eleven of the
Clock*

[MR. DEPUTY-SPEAKER in the
Chair.]

ORAL ANSWERS TO QUESTIONS

[English]

DR. G. S. RAJHANS : Sir, a serious development has taken place. Pakistan has already developed a nuclear bomb.

MR. DEPUTY-SPEAKER : No, no. You raise it later on.

Remunerative Price of Cotton

*62. SHRI UTTAMRAO PATIL : Will the Minister of AGRICULTURE be pleased to state :

(a) whether Government are aware that owing to depression in cotton future trade and its bleak future, the cotton growers would not be able to get remunerative prices; and

(b) if so, the corrective steps being taken or contemplated in this matter ?

THE MINISTER OF STATE IN THE DEPARTMENT OF AGRICULTURE AND COOPERATION IN THE MINISTRY OF AGRICULTURE (SHRI YOGENDRA MAKWANA) : (a) and (b). The declared policy of the Government is to ensure remunerative prices to the growers for their produce with a view to encouraging them for higher investments

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and production. For this purpose Government of India announces each season the procurement/minimum support prices of important agricultural commodities including cotton. The Cotton Corporation of India undertakes the price support operations in case market prices of raw cotton tend to fall below the declared minimum support level.

[Translation]

SHRI UTTAMRAO PATIL : Mr. Deputy-Speaker Sir, when the prices in the market tend to fall below the support price, the Central Government gives protection to the farmers by purchasing their produce from the market at the support price. There are very few such occasions when the market price falls below the support price. The support price which has been approved by the Government is Rs. 530 at present and the market price is more than Rs. 600. Last year, the Maharashtra Cotton Growers Cooperative Federation purchased cotton at the rate of Rs. 650 in Maharashtra where monopoly cotton purchase scheme is in vogue. This year when the matter came up for fixing the prices, then the Central Government forced the Government of Maharashtra to purchase it at the support price which is Rs. 100 less, and in this way, the farmers in Maharashtra are getting Rs. 100 less than the last year. What is the Centre's policy behind it ?

[English]

SHRI YOGENDRA MAKWANA : The government is fixing support price taking into consideration all the factors and the cost of the production of the cotton. The support prices are fixed giving a little margin over cost as a way of incentive to the farmers. When the government procures it, it procures it at the rate which is fixed by the government. but the market prices may be different.

[Translation]

SHRI UTTAMRAO PATIL : Sir, my question has not been answered. I had asked as to why the Central Government is not permitting the Maharashtra Government to pay a higher support price than what has been fixed. My question relates to the support price which the Maharashtra Government had proposed to adopt this year.

[English]

SHRI YOGENDRA MAKWANA : I have already explained how the government is fixing the support price. But the hon. member is again insisting as to why the Maharashtra Government has not paid this time the prices which they had paid during earlier years. This is because they were giving more prices than the neighbouring areas of Gujarat and other States. Cotton was brought to Maharashtra and it was selling at a high price. The net result was that the cooperative societies had incurred a great loss and that had made the government to ask the Maharashtra Government to pay the support price. If they want to procure it. If you see the figures you will find that in many states the figures of the market prices are higher and the farmers can sell it in the market if they want a higher price. The government revised this procedure in order to help the farmers. In case there is a distress sale and if there is a fall in the market price and if the farmers are sufferers, then the government intervenes into the market; not otherwise.

[Translation]

SHRI UTTAMRAO PATIL : Secondly, the Government has changed the name A.P.C. into C.A.C.P. but it does not seem to us that it has made any change in the policy. We have been demanding for a long time that this commission should have at least 4 farmers as representatives as its Members and that the Chairman should be selected from amongst the four representatives of those farmers. We have come to know that this demand has been under the consideration of the Government for quite a long time. Will the hon. Minister kindly inform us in this regard ?

[English]

THE MINISTER OF AGRICULTURE (DR. G. S. DHILLON) : The suggestion from the hon. member is very welcome. We have already decided to increase the number of non-official members upto the strength of the official members besides the Chairman. (Interruptions)

PROF. N. G. RANGA : How many ?

DR. G. S. DHILLON : Let me complete it. Why are you becoming so much impatient ? Now, besides the Chairman, already they are three officials, that is four officials : and earlier there was only one farming representative. Now, we will have three farmers' representatives and three non-official members besides the Chairman, who, according to the law and rules, must be an agro-economist; and I think after that we will have a different complexion of the whole system.

SHRI RAM SINGH YADAV : What about the Chairman ?

SHRI YOGENDRA MAKWANA : The Chairman will be an agro-economist. That is what he was saying.

DR. DATTA SAMANT : There are 50 lakh cotton growers in the country. It is next to agriculture.

MR. DEPUTY-SPEAKER : It is also an agriculture.

DR. DATTA SAMANT : They have come to a stage where next year they will not cultivate any cotton because of the policy of the government. Sir, the Government has allowed polyester concession of Rs. 131 crores. At present about 41 lakh bales of cotton—last year and this year—are remaining with the growers.

MR. DEPUTY-SPEAKER : You put the question.

DR. DATTA SAMANT : Only 6 lakhs are permitted to be exported. There is not much demand. I know it. But what is the supporting price ? Maharashtra has asked

for it, because Maharashtra has not only 25,000 bales. Are you going to allow for the whole country to export the cotton? That is one question. And a simple question pertaining to this I want to know. I do not know why the Government is sleeping over it. Cotton garments worth Rs. 900 crores are exported. They are very much in demand in the U.S.A., Russia and everywhere. The cotton growers gets only Rs 3, even though the cotton garment costs Rs. 25, my mill owner who is exporting wants Rs 80, and the farmer gets Rs. 2, and my worker gets only Rs. 3. The exporter gets Rs. 70. This is the position. I have gone to the garment factories, and I have studied this market. I do not know why the Government is not coming forward. We are giving export orientation and concessions to one who exports. That is the point.

MR. DEPUTY-SPEAKER : You put the question.

DR, DATTA SAMANT : I want to know whether you are going to allow the export of cotton.

Second thing is in exporting garments there is a difficulty. Industrialists are exminting money. Are you going to protect them by giving reduced prices to the farmers and thirdly, are you going to allow inter-State exports? (*Interruptions*)

MR. DEPUTY-SPEAKER : Do not put so many questions.

SHRI YOGENDRA MAKWANA : I did not know when Dr. Datta Samant has shifted from industrial labour to cotton growers. (*Interruptions*)

DR DATTA SAMANT : Cotton garments worth Rs. 900 crores are exported.

SHRI YOGENDRA MAKWANA : The Government has already announced the long term export policy and under this policy a minimum of six lakh bales per annum will be allowed to be exported. Now, looking to the cotton production in the country this quantity which is allowed by the Government for export is sufficient. Because we have our internal consumption also. For

our textile industry we require the cotton and if we export all the cotton which is produced in the country, there will be a shortage. Today the position is such that after exporting this, there will be shortage for the internal consumption. So it is not as he has stated. The position is quite different.

[*Translation*]

SHRI BANWARI LAL PUROHIT : Mr. Deputy-Speaker, Sir, the cotton monopoly purchase scheme exists only in Maharashtra. In raw cotton the cotton seed content is 2/3 part of its weight and it sell's at the rate of Rs. 100 or 150 in the market. The price of cotton has also gone up by Rs 1000. Besides, you are also exporting it. I want to ask the hon. Minister whether the Central Government keeping in view the above situation, (as the farmers have to accept the price which the Government fixes), would permit the Government of Maharashtra to increase the rates or not. I have asked a very simple question and I would like to submit that the farmers of Maharashtra should be allowed higher prices, keeping in view the increase in the prices of cotton. Why are you harming the interests of the farmers?

SHRI YOGENDRA MAKWANA : As regards the question whether purchase of cotton should be made on the support price, we have already stated that cotton should be purchased at the support price only, otherwise the Cooperatives would go bankrupt by increasing the prices like this. Perhaps you are not aware of this fact.

[*English*]

MR. DEPUTY-SPEAKER : Order please.

[*Translation*]

SHRI DATTA SAMANT : What you say is true, that the cooperatives are running at a loss of Rs. 7 crores, but how does an extra-payment of Rs. 2 to the farmers really matter?

[*English*]

MR. DEPUTY-SPEAKER : No discussion like this should go on.

SHRI KADAMBUR JANARTHANAN : Is the Ministry aware that the Agricultural Prices Commission is fixing the price during the sowing season? They fixed Rs. 5 higher than the last year's price. But this year the crop estimate—according to the Government—is 102 lakh bales which is at present only—the estimate—is 85 lakhs. Therefore, I would like to know from the Minister—for the cotton products—whether the Government will do some re-thinking for fixing the price during the flowering season. Then only the correct estimate of the crop will be known. Now the market price is Rs. 630 and the support price is 530; so it is meaningless. Therefore, will the Government do some re-thinking in fixing the support price for at least cotton? After the new textile policy has come, more and more growers are suffering. Therefore, will the Government consider re-fixing the support price in the flowering season and increase it further?

SHRI YOGENDRA MAKWANA : It is the demand of the farmers that the prices should be fixed before the sowing season so that they can decide about the crop pattern because if the prices are more, they will go for that crop. Now, here is a Member who wants that it should be decided later. We have to go by the demand of the farmers and not by the demand of an individual Member in this case.

PROF. N.G. RANGA : My friend, Dr. Datta Samant, has succeeded in confusing us all. The Maharashtra Government fixes a monopoly price. If that is so, is it done in the interest of the farmers or in the interest of so-called cooperative societies? Cooperative societies are supposed to be for farmers, but at the same time, the farmers are made to suffer. I cannot understand this particular confusion. Secondly, when the market prices are higher because of liberal export why is it that Government does not allow the farmers to sell their cotton in the open market because support prices are needed only when the market prices are very much lower and, therefore, support prices are needed to support and help the farmers. On the other hand, what is happening is that farmers are being penalised for the sake of two forces—one the so-called

cooperatives and the other, exporters who have exported to other countries and got all the benefits at the cost of farmers.

SHRI YOGENDRA MAKWANA : It seems that there is some misunderstanding. The farmers are at liberty to sell in the open market...

SHRI BANWARI LAL PUROHIT : Not in Maharashtra...*(Interruptions)*

MR. DEPUTY-SPEAKER : Let the Minister reply...*(Interruptions)*

SHRI YOGENDRA MAKWANA : I do not know why the Maharashtra Government is not allowing the farmers to sell it in the open market...*(Interruptions)*

DR. DATTA SAMANT : You are supposed to know...*(Interruption)*

MR. DEPUTY-SPEAKER : He will find out. *(Interruptions)*

SHRI YOGENDRA MAKWANA : Under this monopoly scheme, advance payments are made by these societies. The societies are of the producers i.e. cotton producers. Any profit earned by the society ultimately goes to the producers who are the share-holders of the societies. Here the profit does not go to the middleman as in the case of private trade. It is not the private trade but the cooperatives who are procuring cotton. So, it is not the private individual or the Government who is taking away the profit. The benefit i.e. profit is ultimately passed on to the producers i.e. the farmers who are the share-holders of the societies. So, there is no loss to the farmers.

[Translation]

SHRI BALKAVI BAIRAGI : Mr. Deputy Speaker Sir, I want to ask the hon. Minister if this is the case, then why has the cotton corporation suffered a loss of Rs. 60 crores?

SHRI YOGENDRA MAKWANA : Mr. Deputy Speaker Sir, the point is not about the Cotton Corporation, but it is

about the Cotton Producers Cooperative Society. My dear poet, this is slightly a different thing.

[English]

SHRIMATI BASAVARAJESWARI : Sir, I would like to know whether it has come to the notice of the Government that the price of cotton is much higher than the price of lint. Lint is sold at a price much lower than the price of cotton because cotton contains seeds from which oil can be extracted. So, the lint price has been reduced to the minimum. Therefore, I would like to know what steps do the Government propose to take to see that lint price is proportionate to the price of cotton. Cotton prices are much higher than the price of lint and the farmers are in the habit of ginning the cotton and using the cotton seeds for feeding their cattle. So, the farmers are not getting proportionate price for the lint compared to that of the cotton. Therefore, I would like to know what steps do the Government propose to take to get some remunerative price for lint also.

SHRI YOGENDRA MAKWANA : Sir, a good suggestion has been made by Prof Ranga that it should be got examined. The same reply I was to give.

Power Shortage in Steel Plants

*63. **SHRI BALASAHEB VIKHE PATIL :** Will the Minister of STEEL AND MINES be pleased to state :

(a) whether the steel plants under the Steel Authority of India Limited have not been working to their optimum capacity because of shortage of power; and

(b) if so, the remedial action Government propose to take in the matter ?

THE MINISTER OF STEEL AND MINES (SHRI K.C. PANT) : (a) and (b). A Statement is laid on the Table of the House.

Statement

There are various factors, including availability of power, which determine capacity utilisation of the steel plants.

During this year, some of the SAIL steel plants lost production on account of inadequate availability of power.

The power supply position to the steel plants by public utilities is under constant review at the Inter-Ministerial level. Wherever possible, additional power supply is arranged from other grids.

The existing captive power generation is maximised whenever there is shortage in power supply from public utilities.

As a long-term measure and to reduce dependence of steel plants on external power supply, additional captive generation capacities are being created by setting up a (3 × 60 MW) captive power plant at Bokaro Steel Plant, a (2 × 60 MW) captive power plant at Durgapur Steel Plant and a (2 × 60 MW) captive power plant at Rourkela Steel Plant.

[Translation]

SHRI BALASAHEB VIKHE PATIL : Mr. Deputy Speaker, Sir, it is evident from the statement that the Government, after a few years of experience, has decided to instal captive power plants in some steel units and additional power is being generated. But we are suffering losses every year in our production of steel and we also have to import it at times to meet our requirements. In spite of getting power supply from outside sources and from State Electricity Boards, adequate power is not available and as a consequence, there is loss of production and industries are also suffering losses.

In view of inadequate availability of power, I want to know the capacity being utilised at present, the loss in production the extent of losses incurred by the steel units and how much steel are we importing and how much we had to spend on import of steel ? This would make us know about its importance.

SHRI K.C. PANT : Mr. Deputy Speaker Sir, it is a fact that steel production of the SAIL Steel Plants has decreased on account of shortage of power. As adequate power is available in Madhya