

LOK SABHA DEBATES

LOK SABHA

Tuesday, March, 10, 1987/
Phalguna 19, 1908 (Saka)

The Lok Sabha met at
Eleven of the Clock

[MR. SPEAKER *in the Chair*]

[*Translation*]

MR. SPEAKER : Why are you compelling me to ring the bell so early in the morning ?

[*English*]

I will have to give it a serious thought.

[*Translation*]

SHRI BALKAVI BAIRAGI : You should say something to everyone.

MR. SPEAKER : Yes, I will have to say.

[*English*]

DR. DATTA SAMANT : Give some incentive for us !

(*Interruptions*)

ORAL ANSWERS TO QUESTIONS

Prices of groundnut and mustard oils

*183. SHRI MOHANBHAI PATEL : Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) what long-term and short-term measures are contemplated by Government

to keep under check the steep increase in prices of groundnut and mustard oils ;

(b) whether any new strategy is being chalked out to increase production of groundnut and mustard oilseeds ; and

(c) if so, the details thereof ?

THE MINISTER OF PARLIAMEN-
TARY AFFAIRS AND MINISTER OF
FOOD AND CIVIL SUPPLIES (SHRI
H. K. L. BHAGAT) : (a) The long-term
and short-term measures taken by the
Government to control the prices are as
under :

(i) All efforts are being made to increase the production of edible oils to achieve self-sufficiency.

(ii) States have been asked to take stringent measures against hoarders and speculators. Checking of vanaspathi units has been intensified.

(iii) Supply management of imported edible oils to Public Distribution System and vanaspathi industry has been geared to check the rising trend in the prices.

(b) Yes, sir.

(c) An integrated strategy has been worked out for boosting oilseeds production including groundnut and mustard through expansion of area as well as increasing productivity.

SHRI MOHANBHAI PATEL : Sir, the hon. Minister has stated in his reply that all efforts are being made to increase the production of edible oils to achieve self-sufficiency. According to my opinion, it is not possible for us to become self-sufficient in edible oils in the coming 10 or

15 years. Today we are importing 10 to 15 lakhs of tonnes every year and the cost of the imported oil is only Rs. 5000 per tonne whereas the price of oil indigenously produced is about Rs 15000 to Rs. 16000 per tonne. Due to not announcing the import policy in time sometimes farmers suffer and sometimes customers suffer. I would like to know from the hon. Minister whether he has formulated a long-term edible oil import policy in consultation with the Agriculture Ministry so that the farmers as well as the customers may not suffer. If any policy has been formulated, please give the details, and if not, I would like to know whether you are thinking of declaring the policy of importing edible oil in the beginning of every year.

SHRI H. K. L. BHAGAT : With due respect to the hon. Member, I would like to submit that the view of the Government is not that we cannot be self-sufficient in edible oil in 10 to 15 years. The view and the effort of the Government is that we can be self-sufficient much earlier than that provided we take certain steps and adopt a strategy. Both short-range and long-range strategies have been drawn up in this connection.

The hon. Member wants to know whether the long-term import policy has been devised or not. Obviously, the import depends on the indigenous production and various other factors. The broad objective of the edible oil policy has been formulated in consultation with not only the Ministry of Agriculture but also with the Ministry of Finance and all other Ministries concerned. Certain technologists have also been consulted. Our policy is that we cannot have any long-term import policy because the necessity for import depends on how much we produce in the country and we want to import as less as possible. The strategy is that the consumer should not suffer too much. The oilseed growers should get more incentives and, at the same time, we should try to be self-reliant as far as possible. Certain incentives have been devised in consultation with the Ministry of Agriculture and other Ministries. Prices for various oilseeds were increased this year.

Secondly, a number of projects have been taken up by the National Dairy Development Corporation and a number of steps in different areas have been taken to expand the area and the productivity. The effort is that the consumer should not be too much burdened. The grower should get some incentive and we should try to be self-supporting. Suppose we decide today on a long-term basis that we will import so much necessarily. Obviously there is a gap. The gap is that our estimated requirement is 50 lakh tonnes while our estimated production is roughly about 35 to 36 lakh tonnes. There is a gap of 15 lakh tonnes. But if there is more production of oilseeds and if we also import more today, the oilseeds grower will be discouraged. We are keeping a watch on the situation. We import as and when and whatever is considered necessary.

SHRI MOHANBHAI PATEL : The hon. Finance Minister has announced four months ago that the edible oil import will be reduced to save foreign exchange and after four months, due to some pressure of the industrialists, we have changed our policy and announced that we are going to import more edible oil. I would like to know whether it is a fact that the Government is changing its policy and programme of importing edible oils due to the pressure of Vanaspati industry lobby,

SHRI H. K. L. BHAGAT : I would like very categorically to refute that the Government changed its edible oil policy or import, because of any pressure from any lobby. The Government has decided to reduce allocation of imported oil to the Vanaspati industry, with the idea and expectation that the production of indigenous oil would be of a certain order and after some time, we found that the price even in the flush season of edible oils was going very high, too high to be borne by the consumers. So, ultimately, it was considered neither to benefit Vanaspati industry nor to benefit any other industry and in this also, two views have been expressed. Some economic newspapers said that it is a good policy ; they

should have done it because this has brought down, to some extent, some prices of edible oils. The other view which the hon. Member said was given by one paper that the prices should have been allowed to soar but no more import should have been done. Therefore, what the situation was prevailing then, we took action. But according to the situation 4 or 5 months later, we had to revise it not in the interest of anybody but in the interest of consumers because the prices were rising too high.

[Translation]

DR. CHANDRA SHEKHAR TRIPATHI : The hon. Minister has just now stated that imports have been cut in order to provide incentive to the indigenous producers of oil. I want to know whether the fast decline in the groundnut production in Uttar Pradesh is because of the fact that the producers are not getting remunerative prices? Has the hon. Minister got any survey conducted to find out the cost of the inputs and that of the finished products? Has the Government considered as to how to fix the remunerative price so that the farmers are encouraged to produce groundnuts?

MR. SPEAKER : You should also ask as to what would be its effect on the producers?

[English]

SHRI H. K. L. BHAGAT : About the particular position in U.P., I must say that any study is not available with me at the moment. But the prices have been recommended by the Agricultural Cost & Prices Commission. In fact the Government has given more for various categories than what they have recommended this time for the year 1986-87.

SHRI DINESH GOSWAMI : Has it come to the notice of the Government that some noted agricultural scientists of this country are of the view that there is no shortage of mustard oil? The shortage of mustard oil has been shown because mustard oil and fat have been put together

while showing import and domestic availability. Therefore, I would like to know as far as mustard oil is concerned, what is the total requirement of the country and what is the total production.

SHRI H. K. L. BHAGAT : Separate figures of mustard oil regarding what is the total requirement and what is the production are not available with me at the moment.

SHRI DINESH GOSWAMI : Mustard oil and fat has been put together to create some artificial scarcity in this country. I would like that the hon. Minister may inform the House about this later on.

SHRI H. K. L. BHAGAT : Steps have been taken about the further production of mustard oil as well as other categories of oil. You wanted to know the exact details as to how much the production is and how much the shortage in respect of mustard oil. At present the details are not available with me. But wherever the requirement is there, wherever the people take mustard oil, we are trying to give them repeseed oil which comparatively gives the required taste.

[Translation]

SHRI ANOOPCHAND SHAH : Mr. Speaker, Sir, there are some States in our country where edible oil is always taken to mean to be groundnut oil. I want to know whether in those States, where there are other categories of edible oils,

[English]

just as mustard oil, cotton-seed oil, sun-flower oil, these oils are also edible oils,

[Translation]

does the Government have any proposals to educate the people in these areas to consume other categories of oil so that we do not have to import oil to meet our requirements?

[English]

SHRI H. K. L. BHAGAT : The Government is quite conscious of this fact that in certain States, certain people are used to certain categories of oil. Government is keen that people should adopt, change their habits and also consume other types of oil. The plan that the Government has made is also for production of other edible oils as well as encouragement of nonconventional oil—also the oil from forests and other things. Amongst imported oils, there are various categories. On the indigenous oil, there is no control. It is open market. Anybody can go. But, so far as imported oils are concerned, we give to different States in different quantities.

SHRI BALASAHEB VIKHE PATIL : I would like to know as to how the Government is going to take steps so that farmers can organise cooperative oil mills and give the benefits of the market to the farmers ?

[Translation]

MR. SPEAKER : What is the effect of imports on the cost of our oil-seeds ?

[English]

PROF. MADHU DANDAVATE : Shri Balasaheb Vikhe Patil has asked a very good question.

SHRI H. K. L. BHAGAT : After we have decided to give more to the Vanaspati Industry, the prices of edible oils in the market have marginally gone down. There has been difference from January to February.

MR. SPEAKER : What about oil seeds after the imports ?

SHRI H. K. L. BHAGAT : I am grateful to you for this very relevant and very good question Sir. Even now the oilseeds prices in the market are actually higher than the support prices which the Government has fixed. Our strategy is that when indigenous oilseeds are avail-

able, at that time we release comparatively less imported oil so that the farmer can get more. That is the strategy we are going to adopt.

MR. SPEAKER : Next question.

PROF. MADHU DANDAVATE : Sir, Mr. Vikhe Patil asked a very good question, it was not answered.

SHRI BALASAHEB VIKHE PATIL : If the farmers organise any cooperatives and establish the oil mills, what incentive will be given by the Government, so that the exploiters and the middlemen may be kept away and the direct benefit of the market may go to the farmer and the production can boast up very well ?

SHRI H. K. L. BHAGAT : As I have submitted, so far as growth and production of indigenous edible oils are concerned, that matter is dealt with by the Agriculture Ministry. They have a definite policy whereby they wish to encourage the cooperative sector. Some of the cooperative societies are in Maharashtra and I have seen that their oils are of very good quality, they are very well packed and the prices are also, I believe, reasonable. The Agriculture Ministry does wish to encourage the growth of cooperative societies for growth of indigenous oil.

Hydel projects in Himachal Pradesh

*184. **SHRI K. D. SULTANPURI :** Will the Minister of ENERGY be pleased to state :

(a) the details of the hydel projects in Himachal Pradesh which have been sanctioned by Union Government during the last three years;

(b) the total amount asked for by the Government of Himachal Pradesh for these projects; and

(c) the reaction of Union Government on this demand for financial help ?