

LOK SABHA DEBATES

1

LOK SABHA

Friday, April 10, 1987 | Chaitra 20,
1909 (Saka)

The Lok Sabha met at Eleven of
the Clock

[MR. SPEAKER in the Chair]

[Translation]

MR. SPEAKER : Why are you standing ?

[English]

SHRI S. JAIPAL REDDY : Let the Question Hour begin with a statement of the Defence Minister.

SHRI M. RAGHUMA REDDY : We compliment the Minister for appointing an Enquiry Committee, but let him make a statement.....(Interruptions).

[Translation]

MR. SPEAKER : I have not barred you at all (Interruptions).

[English]

MR. SPEAKER : That is still to be enquired into.

Q. No. 614.

ORAL ANSWERS TO QUESTIONS

[Translation]

Export of Rice

*614. SHRI AKHTAR HASAN : Will the Minister of COMMERCE be pleased to state :

2

(a) the quantity of rice exported, variety-wise, during the last three years;

(b) the names of the countries with which export deals proved much profitable; and

(c) the efforts being made by Government to boost export of rice ?

[English]

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (c) A Statement is given belcw.

Statement

(a) The export of rice, variety-wise, during the last three years was as follows :—

Year	Basmati Rice (M.T.)	Non-Basmati Rice (M.T.)
1984-85	2,41,785	Nil
1985-86	2,35,213	Nil
1986-87	1,68,593	1,775

(April-January)

(b) The main markets for our rice exports are USSR, Saudi Arabia, U.A.E., Kuwait, Oman, Bahrain, UK and U.S.A.

(c) Our efforts have been to promote export of high quality Basmati Rice. These include securing duty reduction on imports by EEC countries and promotion of Basmati Rice export in consumer packs.

[Translation]

SHRI AKHTAR HASAN : Mr. Speaker, Sir, my question was regarding the quantity of rice exported during the last three years. The hon. Minister has

stated in his reply that no non-Basmati rice was exported during the years 1984-85 and 1985-86 and in 1986-87 a small quantity of 1,775 million tonnes of non-Basmati rice was exported although its production is on the increase. Will the hon. Minister make efforts to export it ?

SHRI P.R. DAS MUNSI : Mr. Speaker, Sir, it is true that no non-Basmati rice was exported during the years 1984-85 and 1985-86 and in the year 1986-87, a small quantity was exported. It is because of the fact that the international price of the non-Basmati rice is very low and keeping in view the hard work done by the farmers, we cannot sell it at throwaway prices in the international market even if we have good production.

Secondly, so far as non-Basmati rice is concerned, we have made efforts to export it by removing the minimum export price ceiling so that we are able to sell it by making some adjustments in the international market.

SHRI AKHTAR HASAN : Mr. Speaker, Sir, I want to know from the hon. Minister through you the efforts being made by the Government to boost the export of rice ? The hon. Minister in his reply has stated the names of some countries but I also wanted to know the names of the countries with which export deals have proved more profitable but this part has not been replied to. Will the hon. Minister kindly state the name of the country from where we fetch more price for our rice ?

SHRI P.R. DAS MUNSI : So far as Basmati rice is concerned, it is exported more to the Middle-East countries, United States and United Kingdom. As regards non-Basmati rice, it is exported by private parties which have the details of profits. But we should understand that exports are possible only when the private parties earn profits. So far as Basmati rice is concerned, we are making good profit and it is exported more to Bahrain, UAE, Kuwait, U.K. and U.S.A.

(Interruptions)

SHRI V. TULSIRAM : Mr. Speaker, Sir, the export of non-Basmati rice was nil

during the last two years and this year it has been exported but its quantity is very small. Our Minister of Commerce belongs to Andhra Pradesh where rice is produced in large quantities, if there are no floods and no drought. I want to know whether permits will be or have been issued for this rice and if so, the criteria therefor ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKAR) : Mr. Speaker, Sir, the permit is given on first come first served basis but as my hon. friend has said, the minimum export price was fixed at Rs. 4000 per tonne in February 1986. Since there were no exports, it was reduced to Rs. 3000 per tonne in July, 1986. But in spite of this, there were no exports and that is why we have now done away with the minimum export price totally.

Now as regards Andhra Pradesh, I think it is very difficult to export rice from there. It is so because under the Rs. 2 per kg. scheme, the entire rice.....*(Interruptions)* Please listen to what I am saying. You do not want to hear. After fulfilling the requirements of this scheme, we are left with a very small quantity of rice for export. Due to the arrangement of the State Government, whatever is left, it is sold in other States and thus there is no rice which can be exported. This is what I am saying which you do not want to listen. You have something in your mind and you go on reacting accordingly.....*(Interruptions)*

MR. SPEAKER : Eat rice but peacefully.

SHRI V. TULSIRAM : The inferior quality Basmati rice is sold in Delhi and the superior quality is exported and it is sold there at lower rates. At least good quality rice should be made available to our people here.

SHRI RAJ KUMAR RAI : In foreign countries, only good quality rice is taken by the people and not the coarse rice. I want to say that in the North-Eastern Uttar Pradesh and in Bihar, we have a variety called 'Kafa Namak'. It is of a very superior quality and during our tours to Nepal, we have seen that foreigners also relish it.

MR. SPEAKER : This will be known after tasting it.

SHRI RAJ KUMAR RAI : If you permit me, I have a small packet of this rice with me and like Sudama, I will offer it to you and also to the hon. Minister of Commerce. You will have to accept this modest offer.

MR. SPEAKER : We would relish cooked rice in your house.

SHRI RAJ KUMAR RAI : Keeping in view the fact that this variety of rice is grown easily and in plenty in the Terai region, would the hon. Minister consider to export it ?

SHRI P.R. DAS MUNSI : So far as the question of export is concerned, I do not know about this variety called 'Kala Namak'. Basmati is one brand and it is the best quality rice available in India. Now, whether, we export 'Kala Namak' or 'Sada Namak', we will have to do so under the brand name of Basmati. Non-Basmati rice is exported by private traders who are engaged in this business. So far as your suggestion is concerned, I will ask them to get this variety tested to find out whether it can be exported or not.

SHRI RAJ KUMAR RAI : This is a good quality rice, I want to assure the House.

[English]

RAO BIRENDRA SINGH : It has been stated by the hon. Minister in reply to Part 'C' of the question that efforts have been made to promote export of high quality basmati rice.

I would like to know whether it is a fact that Pakistan on account of its very high quality basmati rice has captured most of the world's market in basmati ? In the name of basmati rice being exported from India, there is adulteration with common rice upto 60 per cent or 70 per cent. That is why basmati rice from India is not fetching good price nor has it good market outside.

In view of the fact that our basmati rice has been fetching an average price of

Rs. 6 or Rs. 7 per Kg., whereas price of basmati rice in our domestic market is never less than Rs. 13 or Rs. 14 or even Rs. 18 per Kg.—it can easily be seen that the basmati rice being exported is not of good quality which is exported @ Rs. 6 or Rs. 7 per kg. outside and it is adulterated rice—what is Government doing to really promote the export of good basmati rice from India by keeping a strict check on the quality and conserving its stocks of non-basmati rice for internal consumption because we have not been able to meet fully the requirements of the increasing demands of the rice eating States in India ?

SHRI P.R. DAS MUNSI : Sir, the hon. Member has referred to Pakistan. He is right. There are three points which I would like to refer.

The first point is that Pakistan export a uniform quality of basmati rice called Pak-10. Throughout the length and breadth of Pakistan, only one type of basmati grows.

In India there are 4 or 5 types of basmati rice. From region to region it varies. Its size; its thickness and its quality also varies. So, we cannot restrict ourselves to sell any particular region's basmati. We have to sell all basmati rice, whatever types they are.

That is why Pakistan always has an advantage to sell a uniform brand—Pak-10—to all the markets, while we have to sell a number of varieties.

Secondly, rupee fluctuation is also there. Our rupee is stronger than the Pakistani rupee. While we calculate the dollar equation, it goes upto Rs. 16 per dollar so far as Pakistan is concerned whereas ours is not that much.

Thirdly, it is not a fact that we fetch Rs. 6 or Rs. 7. Apart from the minimum export price, which is Rs. 7500 per metric tonne we are getting Rs. 8 per Kg and in some cases, our higher quality rice is fetching even Rs. 12 per Kg.

(Interruptions)

SHRI P.R. DAS MUNSI : I am not talking about domestic prices; I am talking about the export prices.

We cannot sell in the domestic market at export price. We have to earn foreign exchange.

In the country, domestic consumption of basmati is not our concern; it is for the richer people. We have to earn foreign exchange as much as we can.

Lastly, I would like to mention that to popularise basmati in international market, in a popular brand name; in a packed form—these days they buy even in a packed form—we have also provided an incentive of 5% to 10% on the approved f.o.b. price and they can spend for their usual promotional brand name outside for campaigning purposes. This incentive programme we have started from this year and this will give a new boost.

So far as *milavat* and other things which you have just now referred are concerned, in certain cases which came to our notice, we took immediate steps. Some are also under investigation and we have taken much more rigid steps this time to check every shipment, in terms of quality and other things. And if we find anybody guilty, we do not spare anyone in taking action against them, in whatever manner.....

(Interruptions)

Whenever some cases are referred to us, whoever be the party, we take action immediately. But what happens is that in case of matters which require investigation—serious investigation—unless it is completed, we cannot make *suo motu* comment.

But so far as the *milavat* is concerned that basmati is not.

[Translation]

We have not received any complaint so far that Non-Basmati rice is mixed with the Basmati rice. If the hon. Member has any such complaint, he may refer it to us, we will get it examined.

[English]

SHRI C. MADHAV REDDI : I will not ask anything about the non-Basmati

rice. So, our Minister may rest assured that I am not interested in exporting our rice, i.e. the Andhra rice to any foreign country. And I agree that this non-Basmati rice should not be exported. Last year, what we got was Rs 4,000 per tonne. That is the price which we can get here also. This is the price you get.

My question is : what is the reason for the decline in the export of Basmati rice this year ? Please answer this question. In the nine months, viz. April 1986 to January 1987, what is it that you had exported ? 1,68,000 tonnes, as against 2,35,000 tonnes last year ; and 2,41,000 tonnes the year before. In three months, nothing is going to happen. What is the reason for the year-to-year decline in Basmati rice export, which is our traditional export ?

SHRI P.R. DAS MUNSI : So far as the figures are concerned, the hon. Member is right. If you look at the April-January figure compared with the other previous years, it has declined, no doubt. But I must submit, and I also like to inform that our main market is the Middle-East, and in the Middle-East, there is a huge carry-over stock this year. Neither we can penetrate sufficiently, overcoming their carry-over stock, nor can even Pakistan do it. That is the precise problem. But we hope to improve it soon i.e. within another few months, to the extent we can.

PROF. MADHU DANDAVATE : Is the hon. Minister aware of the fact that a Delhi-based export company had actually exported an inferior type of rice to Soviet Russia in the name of Basmati rice ? Further, is it a fact that Soviet Russia expressed its displeasure at this type of import that they had received ? They refused to accept the rice that was sent. As a result of that, how much loss was incurred ? Has Government instituted any enquiry—I am not demanding a parliamentary probe—Has Government instituted any enquiry to go into the matter; and if the export company has been found guilty, have they black-listed that company ?

SHRI P.R. DAS MUNSI : The Soviet Union has its own arrangements for

the inspection of rice—whatever we export to them. And no complaint from Soviet Union came to us.

PROF. MADHU DANDAVATE : Have they expressed happiness at the inferior rice ?

SHRI P.R. DAS MUNSI : The question was whether the complaint had come, and whether the Soviet Union got inferior rice. My answer is 'No'. That is all.

SHRI BHAGWAT JHA AZAD : The reasons given by the Minister for the Indian Basmati rice fetching a lesser price compared to Pakistan's, have been given here. I want to know this : is it not a fact that our export has gone down compared to Pakistan's not because of the quality, but because a Corporation like the STC, charged with the task of exporting, and having twenty offices all over the world and spending \$10 million as its budget, has not yet been able to get any order ? We cannot sell our rice outside, not because our rice is inferior to that of Pakistan—its name was mentioned by the hon. Minister—but because we cannot do so due to our inefficiency. Secondly, is it not a fact that in the name of Basmati, Parimal is being exported, and complaints are there ?

The Minister may say, technically, that the Soviet Union has not complained. It is a friendly country; but the complaints are there. What do you say about this important fact ?

THE MINISTER OF COMMERCE (SHRI P. SHIV SHANKER) : Firstly, on the question of STC, I would say that STC has recently bagged an export order for Basmati rice to Middle-East countries, for 50,000 tonnes. This is one part of it.

SHRI BHAGWAT JHA AZAD : Very good.

SHRI P. SHIV SHANKER : The other part of it is that.....

SHRI BHAGWAT JHA AZAD : It is an inaugural order.

SHRI P. SHIV SHANKER : Actually, when it comes to the question of price,

between the price of the Basmati rice of Pakistan and that of India there is not that much difference as it was sought to be made out. Practically it is on parity—as far as price is concerned between the two countries.

DR. G.S. RAJHANS : It is a misfortune that very little is known about the rice produced in Bihar. The quality of rice produced at Bhagalpur the constituency of Shri Bhagwat Jha Azad, is far superior to basmati Rice. The test of pudding lies in the eating.

SHRI BHAGWAT JHA AZAD : So, you give lunch to the people.

DR. G.S. RAJHANS : Will he do something to promote the export of Bhagalpur rice ?

[Translation]

SHRI P.R. DAS MUNSI : We have instructed the traders that efforts should be made to promote the export of non-Basmati rice.

MR. SPEAKER : Mr. Yashpal Singhji, if you also speak, then half-an-hour will pass.

SHRI YASHPAL SINGH : Mr. Speaker, Sir, I want to know from the hon. Minister as to why the rice from Pakistan is preferred to our Indian Basmati rice when the latter is more delicious and of superior quality ? Does it not reveal a shortcoming in our publicity efforts and if so, will the hon. Minister of Commerce make more publicity and find out more markets ?

SHRI P.R. DAS MUNSI : I have already stated that we are giving 5% to 10% incentive to popularise this brand.

[English]

SHRI ATAUR RAHMAN : I was in New York about 4-5 years ago. One day I went to buy basmati rice from one of the shops. There were three varieties of rice. One was Indian variety; the second was Turkish variety and the third was Pakistani variety. When I asked the shopkeeper which variety of rice was the best,

he said, the Indian variety of rice was the best. He did not know about rival Indian. So, it is true that the quality of *basmati* rice is going down in our country. Something has to be done about it.

[*Translation*]

SHRI YASHPAL SINGH: My question has not been answered.

MR. SPEAKER: Your question has not been answered. Please reply to his question.

SHRI P.R. DAS MUNSI: I have already replied that we are providing an incentive of 5% to 10% to popularise this good brand.

SHRI BALKAVI BAIRAGI: Mr. Speaker, Sir... ..

MR. SPEAKER: Please, do not start talking about opium.

SHRI BHAGWAT JHA AZAD: 'Roopmati' is produced in his area.

MR. SPEAKER: You may export its entire stock if you want. I have no objection.

[*English*]

**Closure of Economically Non-Viable
NTC Units**

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*616. SHRI MOHANBHAI PATEL :
SHRI SHANTARAM NAIK :

Will the Minister of TEXTILES be pleased to state :

(a) Whether the National Textile Corporation is considering to close down some of its economically non-viable units; and

(b) if so, their number and in which States ?

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): (a) and (b) No. final decision has been taken to close down any NTC mills.

SHRI SHANTARAM NAIK : The final decision has not been taken. However, certain factors must be before your mind by which you will be taking the ultimate decision. What are those factors that you are taking into consideration? What are the factors which have led you to take up this matter of closing down of this factory ?

SHRI RAM NIWAS MIRDHA : The main factor before us would be whether a unit can be made viable by modernisation and by rationalisation of labour and improving its management and working. This is a continuous exercise of evaluating our units from time to time. The performance of some of the units at a particular time is low, but due to various steps taken by the NTC management, they also improve. So, which unit is viable or not, we are trying to carry one an exercise all the time.

There are about 15 to 20 units/mills which are making profits. Others vary from some loss to higher quantity of loss. So, all I can say is, whenever we take a decision of this nature we will see that all efforts are made first to rehabilitate the unit, to modernise it, to rationalise, labour, have a dialogue with labour and see that it works.

SHRI SHANTARAM NAIK : May I know in the event of your taking a decision to close down the NTC units, as to how many workers would be affected, and as to how many you are going to rehabilitate, that is, in case you take a decision to close down ?

SHRI RAM NIWAS MIRDHA : I said that we have taken no decision to close down. There is no question of any number of workers. I will answer "in case" when it comes, separately.

SHRI P.C. SETHI : As far as the NTC mills are concerned, in Indore which is my constituency there are very many NTC mills and from time to time there is a rumour that they are going to be closed. A deputation of the workers of these mills has met the hon. Minister today and they have assured him that they are prepared for