

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, under the present system credit limits have been fixed for all kinds crop loans. Now the loans outstanding will not be a bottleneck in the fresh loans sought by the people. If the credit limit of the earlier loan was Rs. 5,000, then it will remain unchanged and one can get fresh loan of the same amount. There will be no difficulty in it because those amounts have been due because of drought situation. The loans have been rescheduled and instalment refixed.

[English]

SHRI CHINTAMANI JENA : Sir, the hon. Prime Minister's announcement of conversion of agricultural loans to more years is really commendable and it has brought encouragement among the farmers who are residing in drought affected areas as well as areas affected by several types of natural calamities. May I know from the hon. Minister, whether the concession announced by the hon. Prime Minister would be applicable also to the farmers affected by other natural calamities like flood, cyclone etc.

Besides, may I know from the hon. Minister whether it is a fact that the Reserve Bank of India has put some restriction on such conversion. After getting the crop assessment report only, they say, conversion will be allowed, But in many areas, particularly in the State of Orissa, this crop assessment report is only available after the months of April, after the crop harvesting by which naturally the cooperative bank and societies are realising the loans from which the farmers are facing much hardship. In this connection, may I know what is the reaction of the Government on this issue ?

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, as I have explained, both drought and floods are covered in it.

The hon. Member has said that the Reserve Bank of India and other Banks create some difficulties in the case of Orissa mentioned by him. I want to inform the august House that the on the advice of the Government of India, the NABARD,

and the RBI have advised the State Governments to follow the guidelines of the Government of India. If the hon. Member has received any specific complaint, then he may forward it to the Ministry for remedial action.

[English]

PROF. N. G. RANGA : There is qualitative difference between cooperative loans and the Taccavi loan. The Taccavi loan is what is being advanced and what is supposed to be advanced to the farmer by the Government direct and it has always been advanced at a specially low rate of interest, never more than 6% whereas cooperative loan can charge up to 10-11% also. Therefore, I would like my hon. friend to realise the distinction between these two loans. I am glad the questioner has raised this point whether Government would consider the advisability of advancing direct this Taccavi loan to the farmers at least in regard to the purchase of seeds and fertilisers, so that the farmers will be able to get it at a much lower rate of interest than what is being advanced by the cooperatives.

[Translation]

SHRI BHAJAN LAL : Mr. Speaker, Sir, there is no question of increasing the rate of interest already reduced. I have already given details of reduction in different rates of interest and they will remain in force.

Sir, the hon. Member has suggested reduction in the rates of interest on the loans sanctioned for purchase of fertilisers and seeds. In this connection, I want to submit that the State Governments are competent to reduce the rates in interest in flood and drought conditions. They should extend as much relief as they can. However, if they write to the Government of India for any assistance, financial or otherwise, the same will be considered sympathetically.

New Sugar Mills in U.P.

*906. **SHRI RAM SINGH :** Will the Minister of FOOD AND CIVIL SUPPLIES be pleased to state :

(a) whether Government of Uttar Pradesh has sent proposals to set up new sugar mills during 1988, 1989 and 1990;

(b) if so, the names of the places where these mills are proposed to be set up; and

(c) the action taken thereon in each case ?

THE DEPUTY MINISTER IN THE
MINISTRY OF FOOD AND CIVIL

SUPPLIES (SHRI D.L. BAITHA) : (a) to (c). After announcement of Policy guidelines for Licensing in the Sugar Industry during the Seventh Five Year Plan, 4 applications for setting up of new sugar mills from the State of U.P. were received. A statement giving the position of these mills is given below.

Statement

Position of applications received for establishment of new sugar factories in U.P. after the announcement of guidelines for licensing additional capacity in the Sugar Industry vide Press Note dated the 2.1.1987.

Sl. No.	Proposed location with district	Sector	Date of receipt of application in the Deptt. of Food	Date of consideration by the Screening committee of the Deptt. of Food	Action Taken
1.	Sneh Road on Najibabad Kotdwara Road, Fazalpur Teh. Najibabad, Distt Bijnor	Coop.	26.3.1987	28.4.87 and 2.7.87	Letter of intent granted on 27.10.87
2.	Village, Ainthu, Teh. Kunda, Distt, Pratagarh	Private	17.8.1987	28.8.87 and 20.11.87	Letter of intent granted on 8.3.8.8
3.	Tehsil Shahganj, Distt. Jaunpur	Coop.	14.1.1988	19.2.88	Rejected
4.	Dhuriapur (Bansgaon)' Distt. Gorakhpur	Coop.	10.2.1988	19.2.88	The Screening Committee deferred consideration of the case and desired certain additional information from the State Government After receipt of the requisite information, the case shall again be placed before the Screening Committee for taking a decision

SHRI RAM SINGH : Mr. Speaker, Sir, the guidelines and norms laid down by the Government in the Seventh Five Year Plan for setting up a new sugar mill include two major conditions. First, new factory should be set up at a minimum distance of 40 kilometers from the existing factory and second, sugarcane should be available in large quantity around the proposed site. Based on these norms the Government of Uttar Pradesh has forwarded 4 applications to the Central Government in this context. I want to know from the hon. Minister the number of factories in respect of which proposals were received by UP Government, but not forwarded to the Central Government?

SHRI D. L. BAITHA : Mr. Speaker, Sir, four proposals seeking permission for setting up Sugar factories—(i) on Sneh Road on Nazibabad-Kotdwara Road, Fazalpur Teh, Nazibabad. Distt. Bijnaur, (ii) at village, Ainthu, Teh. Kunda, Distt. Partapgarh; (iii) in tehsil Shahganj, Distt. Jaunpur; and (iv) at Dhuriapur (Bansgaon), Distt. Gorakhpur have been received. Letters of intent have been issued to two, one has been rejected and in case of the fourth, screening committee has sought additional information from the State Government.

SHRI RAM SINGH : Mr. Speaker, Sir, the norm of the distance of 40 kilometers between two sugar factories and adequate availability of sugarcane around the proposed site, have been laid down by the Central Government and conveyed to the State Governments. According to the information available with me no new sugar factory can be set up at least in Uttar Pradesh, because the distance between any two proposed sugar factories has to be of 40 kilometers. If there is any such place that will be where no sugarcane will be available there. So, I want to know from the hon. Minister, whether Government propose to relax these norms? if not, whether they are thinking of raising the capacity of the existing sugar factories so as to augment sugarcane crushing and benefit the farmers?

SHRI D. L. BAITHA : Mr. Speaker, Sir, for new factories, four applications were received by the Government and the restriction of 40 kilometers distance is incorporated therein. On this basis, the

application for licence for setting up sugar factory in Tehsil Shahganj, distt. Jaunpur has been rejected. As for the application for sugar factory in Dhuriapur (Banogaon), distt. Gorakhpur, further information has been asked from State Government and the rest two have been cleared. The question of capacity augmentation is being looked into.

MR. SPEAKER : The Member has asked about the intention of the Government to augment the existing capacity.

SHRI D.L. BAITHA : Government do not propose to raise the capacity of sugar factories for the present. However, the question pertains to permission to set up new factories.

SHRI RAM SINGH : Mr. Speaker, Sir, my question has not been answered. No new sugar factories can be set up in the State on the basis of existing norms, formulae and the distance between existing factories. So norms will have to be relaxed.

MR. SPEAKER : The Minister has said 'No'.

SHRI YASHPAL SINGH : Mr. Speaker, Sir, sugarcane is grown in large area in Uttar Pradesh or it is available there in large quantity. However, the percentage of sugarcane crushed by the sugar factories has declined from 33 per cent to 28 per cent. Rest 33 per cent is crushed by Kolhus and other local crushers, where the farmers are exploited. These proposed four factories cannot solve the problem of crushing of sugarcane even if they are cleared, though they do not fulfil the prescribed norms of the Government. The proposed site in Najibabad is less than 40 kilometers away from the existing factory. In Pratapgarh, sugarcane is not available in adequate quantities, the proposed site of the factory for which letter of intent has been given. I want to know from the hon. Minister whether Government will issue more licences for setting up sugar factories in Uttar Pradesh in addition to said four licences?

SHRI D.L. BAITHA : Mr. Speaker, Sir, it is not correct to say that two proposed sugar factories do not fulfil the norms, because the Central Government has considered the applications on the recommendation of State Government. As far

as the question of granting more licence is concerned, the whole matter is being considered and reviewed.

SHRI YASHPAL SINGH : Mr. Speaker, Sir, I want to know, whether the Government is considering granting more licences besides the said four licences ?

MR. SPEAKER : The Minister has given the reply, more licences are being given and the matter is under consideration.

[*English*]

SHRI SYED SHAHABUDDIN : Mr. Speaker, Sir, the productivity of the sugar mills in north India, both in U.P. and in Bihar, is much lower than the national average. That is, perhaps, because of the poor quality of the sugarcane crop. That is one of the factors why some of these mills are lying closed and I know of one mill in the district to which the hon. Minister belongs. Furthermore, the utilisation of the existing capacity, installed capacity, needs to be improved. I would like to know from the hon. Minister whether there is any plan on the part of the Government to modernise the existing sugar mill units in U.P. and Bihar and to bring into operation those which are lying closed.

[*Translation*]

SHRI D.L. BAITHA : Mr. Speaker, Sir, it is the policy of the Government to initiate modernization or expansion of mills on the recommendation of the State Governments. The State Government can send proposals to that effect.

Shortage of Milk in Delhi

*907. **SHRI BALWANT SINGH RAMOOWALIA† :**

SHRI RAM DHAN :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether the attention of Government has been drawn to the news-item appearing in the 'Indian Express', dated 5 April, 1988 under the caption "Milk shortage to continue";

(b) whether Government have received complaints during the last six months in

respect of short supply of milk; if so, the details thereof;

(c) whether it is a fact that there has been short supply of milk to many D.M.S. booths as compared to their demand during the last six months; and

(d) if so, the corrective measures taken in this regard ?

THE MINISTER OF AGRICULTURE (SHRI BHAJAN LAL) : (a) Yes, Sir.

(b) Complaints regarding short supplies during October '87 to March '88, have been received.

(c) and (d). The average daily supply of milk by Delhi Milk Scheme (DMS) during the last six months has been either the same or higher than the supplies made during the corresponding period of the previous year. All the same, in order to make milk available to more household consumers, it has been decided to stop supplies of milk to hotels and other commercial institutions. The quantities of milk supplied to home delivery agents have been reduced and processing of standardised milk has been stopped so that more toned milk becomes available to the consumers through DMS booths. Supply of milk to the consumers has been restricted to two litres per head on first come first served basis. The Delhi Administration has also promulgated an order prohibiting the manufacture, sale, etc., of milk products.

[*Translation*]

SHRI BALWANT SINGH RAMOOWALIA : Mr. Speaker, Sir, I am not putting this question just to put the Government in an embarrassing situation, but some truth is there whether you may agree or not, shortage of milk is there. Government took over the distribution of milk in order to control the price and assure regular supply to the consumers so as to see that private milk suppliers do not increase the price of milk. But the reality is, that prices have increased and the milk is being sold at Rs. 7 per liter in Delhi. The people keep fighting in the queue for hours. The position is such that a person who used to buy 8 tokens is getting only 4 tokens. After the shortage of water and electricity, it is the third problem which is being faced by the