

LOK SABHA DEBATES

LOK SABHA

Monday, March 11, 1996/ Phalguna 21, 1917 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER in the Chair]

[Translation]

SHRI SUKHDEV PASWAN (Araria) : Mr. Speaker, Sir, I would like to congratulate the Indian Cricket team for their glorious victory.....(Interruptions)

[English]

MR. SPEAKER : We will do that after this.

ORAL ANSWERS TO QUESTIONS

[English]

Support Price for Copra

* 141. SHRI RAMESH CHENNITHALA :
SHRI P.C. THOMAS :

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the support price of copra has been fixed for the year 1996;

(b) if so, the details thereof;

(c) whether the Commission for Agricultural Costs and Prices has made any recommendations in regard to the fixation of support price of copra for the 1996 season;

(d) if so., the details thereof and reaction of the Government thereto;

(e) whether there is a demand for higher support price for copra; and

(f) if so, the reaction of the Government thereto ?

[Translation]

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE : (SHRI AYUB KHAN) : (a) to (f) . A Statement is laid on the Table of the House.

STATEMENT

(a) and (b) . Yes, Sir. The Government has fixed the Minimum Support Prices (MSP) for 1996 season at Rs. 2725 per quintal for Ball Copra (FAQ) and Rs. 2500 per quintal for Milling Copra (FAQ).

(c) and (d) . The Commission for Agricultural Costs and Prices (CACP), *inter-alia*, recommended that MSP for copra for 1996 season be not announced and the requisite price support to the growers be provided through market intervention/open market purchase. The Government has,

however, in the interest of copra growers decided to fix minimum support prices (MSP) of copra as at (a & b) above.

(e) Yes, Sir.

(f) As the minimum support prices of copra were fixed only in the first week of February, 1996, having taken into account all relevant factors pertaining to the coconut economy, no new factors have emerged to call for any change in MSP of copra.

[English]

SHRI RAMESH CHENNITHALA (Kottayam) : Mr. Speaker, Sir, coconut is the most important crop of Kerala. One-third of the population entirely depends upon this crop for its livelihood. The answer which is given by the hon. Minister is not at all satisfactory. The State Government had submitted proposal to the Agricultural Costs and Prices Commission for fixing price for milling copra and ball copra at Rs. 3700 and Rs. 3900. But unfortunately the Government of Indian has not accepted this proposal and the prices was not enhanced even by a single rupee this year. It is highly unfortunate. I would like to know from the hon. Minister what are the reasons for not enhancing the Minimum Support Price of copra even by a single rupee this year.

[Translation]

SHRI AYUB KHAN : Mr. Speaker, Sir, Though the CACP had recommended that minimum support prices for coconut should not be raised, yet the Government fixed minimum support price for Ball Copra at Rs. 2725 and for milling copra at Rs. 2500. The prices were increased last year but not this year. The production increased despite the price rise but the production has not been properly utilised. The prevailing price is higher than the minimum support price. The farmers are getting profits that is why the prices have not been raised during this year. The recommendations made by the Government of Kerala and by CACP vary, the recommendations of the Kerala Government do not tally with the figures and hence it, was not taken into consideration.

[English]

SHRI RAMESH CHENNITHALA : This is totally a discrimination. The Minimum Support Prices for other crops which are declared by the Government of India, for example, of rabbi, wheat, barley and mustard and sunflower were revised. The price increase ranges between 2.5 per cent and five per cent. The input cost of coconut has registered an increase of 24 per cent over the period of one year, except for copra. The Minimum Support Price of all other crops had been increased by the Central Government. The Report of the Agricultural Costs and Prices Commission is totally unfortunate.

They had not taken care of the recommendations of the State Government. They had not taken into account the cost of production .

In the light of all these facts, I would like to know from the hon. Minister whether the Central Government will

review the minimum support price which is declared by the Government, to get at least a minimum satisfactory price for the coconut in the country.

[Translation]

SHRI AYUB KHAN : Mr. Speaker, Sir, in the year 1991 the prices of Milling Copra was Rs. 1700 but now it is Rs. 2500. Thus there is a increase of 800 rupees in the last 5 years. The price of Ball Copra has increased from Rs. 850 to Rs. 2725 and there is a difference of Rs. 875. As a result of this difference the production of Copra has gone upto 12355 metric nuts from 9730 metric nuts in 1991. This is because of subsidy given for coconut by the Department of Horticulture. As the hon'ble member has said, the CACP has made indepth study of the recommendation of the State Government but it has not accepted the figures submitted by the State. Hence the CACP has recommended not to raise the price of coconut during the current year. In regard to the concern expressed by the hon'ble member, I would request him that unless factories are set up in the State for proper utilisation of coconut the farmers will not be benefited. Our Government is fully committed to provide all assistance to coconut growers. I want to inform you that prices of coconut in the market are higher than the announced prices.

SHRI RAMESH CHENNITHALA : Mr. Speaker, Sir, my point is whether Minimum Support Price will be revised because coconut growers are getting very low price. Therefore, question is whether Government will revise its price?

THE MINISTER OF RURAL AREAS AND EMPLOYMENT AND MINISTER OF AGRICULTURE (DR. JAGANNATH MISHRA) : Mr. Speaker, Sir, the hon'ble member has mentioned about the coconut price in the context of the Minimum Support Price for paddy and wheat but I would like to inform him that recommendation made by the CACP related to only Milling Copra and Copra farm and the Government has constantly revised its prices. The increase was to the extent of Rs. 150 in 1993, Rs. 125 in 1994 and Rs. 150 in 1995. The question of revising its prices does not arise since the Government has constantly revised the prices till last year despite the recommendations made. But the Government has fixed the Minimum Support Price in the growers interest during the year. Usually the Government revised the prices of paddy and wheat to the extent of Rs. 5-10. Therefore, the Government has taken this decision after considering all aspects in the interest of coconut growers.

[English]

SHRI V. DHANANJAYA KUMAR : Sir, it appears that there is a contradiction in the reply given by the hon. Minister.

The C.A.C.P. has proposed that for 1996 no minimum support price be announced and it also has made a recommendation that through the market intervention and open market purchase the growers could be provided with a reasonable price. The Government instead have gone ahead with announcing a minimum price.

I would like to know whether it is to avoid the recommendation of the CACP that the Government should make market intervention by making purchases in the open market. The Government has announced a minimum support price. Has the Government really intervened in the market so that the growers would get a reasonable price?

The other part of the question is whether the Government has looked into the aspect that the study conducted by the CACP is on realistic basis, or just casually the CACP has made the recommendation. The total production of coconut and copra, as also the demand, especially in the southern States, will have to be taken into consideration before announcing any policy. I would therefore, like to know whether such a realistic study has been made or not. If it has been made, then has it been examined by the Government while announcing the minimum support price.

[Translation]

SHRI AYUB KHAN : The CACP has rejected their recommendation and has recommended not to announce minimum support price but the Government has decided to continue with the last year's price in view of the farmers interest. If the prices go down the Government should ask the NAFED and other Government agencies to purchase it for the benefit of farmers. The NAFED purchased the coconut in the year 1994 when the prices were less than the fixed price which resulted in loss of Rs. 58 crores to the NAFED. The CACP made its recommendations after consulting the State Governments and the farmers and after conducting indepth and detailed study. The CACP has recommended that coconut prices should not be raised this year and I have already explained the reason therefor

[Translation]

SHRI V. DHANANJAYA KUMAR : It means you have got full information.

[English]

SHRI AYUB KHAN : Yes.

[Translation]

SHRI V. DHANANJAYA KUMAR : I want to know whether you have done this keeping in view this recommendation ?

[English]

SHRI AYUB KHAN : Yes.

MR. SPEAKER : No, no. You are saying yes, I am saying no.

(Interruptions)

MR. SPEAKER : Let there be no talk like this, please.

SHRI E. AHAMED : Mr. Speaker, Sir, the hon. Cabinet Minister has submitted in the House that the price they have fixed is much more than what is recommended by the CACP. But I would like to say that it is much less than what

the State Government has recommended. The State Government's recommendation for the ball copra was Rs. 3,500, whereas the Government has fixed it at Rs. 2,755. Similarly, for the mill copra, the State Government's recommendation was Rs. 3,700 whereas the Government has fixed it at Rs. 2,500. This is much less than what the State Government has recommended. The copra or coconut is the mainstay for economy of Kerala but there is absolutely not even a single pie released by the Government to NAFED to make market purchases in view of the precarious position of coconut and of the Kerala's economy. This is adversely affecting the interests of the coconut growers who are the backbone of the Kerala's economy. I would like to know what steps the Government is contemplating to take to alleviate the grievances of the coconut's growers.

I would also like to know from the hon. Minister what steps the Government have taken for the growth or the development of coconut production in Kerala.

[Translation]

SHRI AYUB KHAN : Mr. Speaker, Sir, the question raised by the hon. member is very important. It is the only crop for which Government have set up a coconut Board. The Government had allocated Rs. 7.7 crore during the Seventh Five Year Plan for this purpose, whereas during the Eighth Five Year Plan....

SHRI RAJVEER SINGH : I would like to inform the hon. Minister that the Government have not only constituted the Coconut Board but also Coffee Board and Tea Board. These Boards also do have elected members.

SHRI AYUB KHAN : Please listen to me carefully. Under the Horticulture head Rs. 79.4 crore has been allocated during the Eighth Five Year Plan for this crop whereas only Rs. 7.7 crore was provided for this purpose during the Seventh Five Year Plan. You can just see the extent of increase in allocation by the Government. After that Rs. 30 crore was provided for only Kerala State. Rs. 200 was provided for uprooting each disease affected tree. Rs. 5 for replanting the tree, Rs. 5 for replanting the tree, Rs. 8 as subsidy and Rs. 200 was provided for inter cross Section crops between two coconut trees. Thus Government have provided too much incentive for coconut production. As far as coconut production is concerned we are number two in the world. Indonesia is number one in this field. Sri Lanka is a small country which makes 38 items of coconut and exports them to 83 countries. Therefore, I would like to urge the hon. Members to extend help in promoting the coconut based industries in Kerala and more by-products should be manufactured so that coconut growers could be benefited and this commodity could be properly utilised.

[English]

SHRI A. CHARLES (Trivandrum) : We are totally unhappy about the way in which the support price of copra has been fixed this time. The State Government has recommended certain amount fixed by the Central Government

on the recommendations of CACP is totally or far too inadequate. By comparing the position in Sri Lanka and other nations, the problem of Kerala cannot be solved. As it is stated, coconut is their mainstay. About one-fourth of the crop under plantation has been affected by root-wilt disease and it takes years together for replanting it. Unfortunately, Coconut oil which is used for both commercial and edible purposes, the commercial lobby takes away the huge chunk of the price and now the hon. Minister says that we have to go to the Department of Industry. Sir, that is entirely a different thing. What I want to know is whether the recommendations of the Kerala Government and feelings of the people of Kerala were taken into consideration. On record, I want to make my protest because people are unhappy about the way in which the coconut has been totally discriminated.

Sir, there was a request to declare coconut as an oil seed and we had been fooled last time. We have been told that this has been declared as an oil seed, but no benefit of oil seed has been extended to coconut. May I know from the hon. Minister, taking in view of the recommendations of the Kerala Government and the sentiments of the people and sentiments expressed in this House, will they reconsider the decision already taken ?

MR. SPEAKER : Please come to the question. Now I think you have taken too longer a time.

SHRI A. CHARLES : I am concluding. They have taken a decision in February, 1996 but the people are unhappy. What we are protesting against is the decision taken in February. We are not satisfied with the decision. My point is, will they assure that they will re-examine and fix a remunerative price for copra. That is all Sir.

[Translation]

SHRI AYUB KHAN : Some trees become uneconomic. One tree gives approximately more than 150 nuts. As I have said that Rs. 200 is provided to remove each tree which gives only upto 40 nuts. Out of the Rs. 30.6 crore earmarked for Kerala, Rs. 25 crore have been allocated for replacing the damaged trees. Such a big amount has been earmarked for replacing the uneconomic trees in Kerala. The hon. members have asked to increase prices for growers and I assure you that we shall invite their Agriculture Minister and exchange our information with them and shall try to solve problems after discussing them with other institutions.

[English]

SHRIMATI SUSEELA GOPALAN : Mr. Speaker, Sir, coconut is the mainstay of the people in Kerala in eight coastal districts. The people are totally dependent on that and their income has gone down so much now. No other all excepting palm oil is so much cheap now as that of coconut oil. If the purpose of the Government is not to help the industrialists, it is possible to raise the price of copra, because lakhs of people are dependent on coconut. What is the difficulty of the Government to raise the price of copra?

Sir, now coconut is being grown in other States also. Considering the importance that lakhs of people are dependent of coconut and the price of coconut oil is very low now, it is quite possible to increase the price of coconut oil. That is why, the Government of Kerala has suggested this. The cultivation cost is very high and the people are finding it very difficult to grow coconut. The steps taken by the Government to help the coconut cultivation are not at all enough. It is a voluminous problem and the steps taken by the Government are very much inadequate. The Government is unable to contain the root-wilt disease and it is spreading to other States also. What steps has the Government taken to contain that? The people are putting in so much money on coconut production. After seven or eight years they are getting the benefit.

MR. SPEAKER : Madam, please come to the question.

SHRIMATI SUSEELA GOPALAN : Mr. Speaker, Sir, you have to understand the importance of it.

MR. SPEAKER : I do understand it.

SHRIMATI SUSEELA GOPALAN : Sir, the economy of Kerala is mainly dependent on coconut in the coastal belt and the coir industry also is thriving on this. Considering all these things, the Government has to come forward and give much bigger help and also increase the price of coconut.

[Translation]

SHRI AYUB KHAN : Mr. Speaker, Sir, the hon'ble member has raised no particular question and has stressed the same things. I would like to inform the hon'ble members that out of the total coconut production 5% is utilised as coconut water, 35% for oil extraction, 56% for domestic use and 6.5% as copra for eating purpose. Only 1.5% is being utilised in the form of product or powder. All the problems can be solved only if we increase the production. Right now one industry each in Karnataka and Andhra Pradesh has been set up which can solve the problems to some extent. As I have already said that we shall reconsider it and whatever we can do we will do and inform them.

[English]

SHRI P.C. CHACKO : Mr. Speaker, Sir, all the important points are being brought before this House. No technical explanation is going to satisfy the farmers. I am thankful to the hon. Minister that he has agreed and said that a meeting will be convened of the representatives of the Kerala Government and a decision will be taken. The recommendation of the Commission on Agricultural Costs and Prices is no basis for deciding the prices, because there is a precedent for this. Last year, the Central Government had taken a decision without the recommendation of the Commission. So, there is a precedent that a decision can be taken by the Central Government without the recommendation of the Commission.

Sir, here is a situation where the State Government has recommended for increasing the prices. But when the

price was announced there was no appreciation. Considering the cost increase and various other factors, it has become incumbent on the part of the Central Government to take a decision soon. Now the Government has agreed that a meeting will be convened. Last time, the decision was taken much after the season has begun. Now the season has begun and if the decision is taken after three months, it is not going to help the farmers. So, will the Minister give an assurance that a meeting will be convened immediately, within two weeks' time and a decision will be announced so that the farmers are benefited during this season itself?

[Translation]

SHRI AYUB KHAN : We will try to convene the meeting at the earliest.

[English]

MR. SPEAKER : That is an assurance.

SHRI MRUTYUNJAYA NAYAK : Sir, I am very thankful to you. But I have to make one submission. Sir, before allowing the Members to participate in the discussion on a particular question, I would like to request our hon. Speaker that he should personally acquaint himself about the geographical and geological condition of the country because Orissa and West Bengal also form a major part of the coastal region and produce coconut in large scale. The problem is that the quality of the crop is not of good standard. That is one thing. The other point is that the crop is also affected by some diseases. Therefore, I would like to know from the hon. Minister whether the Government would not only consider giving more incentives but also more facilities like pesticides, etc.

MR. SPEAKER : I have accepted your suggestion.

SHRI AYUB KHAN : Mr. Speaker, Sir, the hon. Member will be pleased to know that Rs. 112 crores have been earmarked for coconut production in Orissa.

Self Employment Scheme Under IRDP

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*142. SHRI RAJENDRA KUMAR SHARMA :

SHRI RAMPAL SINGH :

Will the Minister of RURAL AREAS AND EMPLOYMENT be pleased to state :

(a) whether the Union Government have initiated credit linked self employment package scheme under Integrated Rural Development Programme;

(b) if so, the details thereof and the number of rural people likely to be benefited under the said scheme during 1995-96;

(c) whether there are reports of rampant corruption under said scheme ; and

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