

[Translation]

MR. SPEAKER: There is only one problem.

(Interruptions)

Accumulation of Molasses in Sugar Factories.

*463. SHRI C. MADHAV REDDI: Will the Minister of INDUSTRY be pleased to state:

(a) whether large quantities of molasses have accumulated in the sugar factories creating serious storage problem resulting in the deterioration of the quality of molasses; and

(b) whether it is a fact that under the new molasses policy Government have taken a decision to relax the ban on the production of alcoholic drinks from molasses?

THE MINISTER FOR INDUSTRY (SHRI J. VENGAL RAO): (a) and (b). A statement is given below.

STATEMENT

(a) As per information received by the Government some quantities of molasses have accumulated in sugar factories in some surplus States like U.P. and Maharashtra. However, the State Governments have reported that they have adequate storage facilities and there is no likelihood of deterioration of quality of molasses on this account.

(b) Government have recently taken a decision to relax the ban on manufacture of alcoholic drinks, but only from raw materials other than molasses. No such relaxation has been made for distillation from molasses.

SHRI C. MADHAV REDDI: It is a pecu-

liar situation where the industries which depend on the molasses for the manufacture of alcohol are short of molasses and, on the other side, we have the accumulated molasses with the sugar factories. I would like to know what is the reason for the accumulation of huge stocks with the sugar factories. Is it a fact that, because the Government was about to increase the price of molasses, they got the stock accumulated to see that they get a better price?

SHRI R.K. JAICHANDRA SINGH: There are very few surplus states in molasses. Except for Uttar Pradesh Maharashtra Bihar and a little bit of Tamilnadu this time, and Pondicherry, all the other States are more or less deficit States. Every year we have the meeting of the Central Molasses Board in which all the excise Minister of the State Government are represented and it is in this meeting that allocations of molasses or of alcohol to deficit States from the surplus States are actually made. Last time, we had a meeting in January, 1987 and none of the States including Uttar Pradesh and Maharashtra declared any surpluses of molasses at appropriate point of time. Later on, because of the fact that there was surplus actually available in the States after June, July onwards, they started declaring that the surplus molasses were available, but even then they were not ready to part with molasses because they did not want the molasses to be used for distillation purposes in other states but rather they would like to use molasses in their own States and export the alcohol which is produced from the distillery. That is why, this predicament has come about.

SHRI C. MADHAV REDDI: Under the Molasses Control order, it is not for the State Government to refuse that. I do not know why the hon. Minister says that the State refused to give molasses. The point is that there are certain sugar factories, smaller ones, such as the khandsari factories which

are not covered under the Molasses Control Order and those molasses are available to be sold in the free market at an exorbitant price which shows that there is lot of demand for molasses. Even then, why is it that you are taking the plea that there is no demand and no State has declared molasses as surplus?

SHRI J. VENGAL RAO: As mentioned by Mr. Madhav Reddi, except in Andhra Pradesh, there is no Molasses Control order for the khandsari factories. In a recent meeting, we advised all the State Governments to control the price of khandsari molasses. Then only we can maintain the price.

[*Translation*]

SHRI PRAKASH V. PATIL: Mr. Speaker Sir, in Brazil, Australia and other countries motor-spirit and petrol are produced from molasses, and sugar is a by-product. We import petrol worth Rs 1000 crores. Will the government permit the existing sugar-mills in India who can produce molasses to produce motor-spirit? What is the government's policy in this regard?

(*Interruptions*)

[*English*]

MR. SPEAKER There is talking and talking in the House

SHRI R.K. JAICHANDRA SINGH: We still do not have that much of surplus alcohol and molasses question of using alcohol as motor spirit does not arise because we are still concerned about with the availability molasses and alcohol

MR. SPEAKER. Order please. I would like to draw the attention of the House that if you are in no mood to work, then let us say holiday. It is all talking and talking going on and nobody is listening to what is going on in

the House. Just let me know if you are in a mood to work, then I will.

SHRI R.K. JAICHANDRA SINGH: Therefore, the Government does not have any policy direction towards using alcohol for motor spirit because we ourselves are still concerned with the availability of molasses or alcohol for industrial purposes in this country.

SHRI CHINTAMANI JENA: May I know from the hon. Minister whether it is a fact that molasses are required for preparation of cattle feed, if so, whether some of the State governments and some of the cooperatives which are having dairy farms have requested the Government of India to supply molasses to them for preparation of cattle feed? If so, whether in view of the present severe drought condition prevailing all over the country, may I know from the hon. Minister whether he will use his good offices to prevail upon the State Governments to allot the required quantity of molasses to the concerned States which have requested this for the preparation of cattle-feed. If it is so, what are the actions taken so far?

SHRI R.K. JAICHANDRA SINGH: Fortunately, this is one aspect about which all the State Governments, where there is surplus molasses available, have reacted very positively. The Central Government has earmarked 10 per cent of the entire molasses available in the country for the preparation of fodder, feed-stock and cattle feed-stock. Therefore, every State which is demanding-whether it is the National Dairy Development Board or the State Government-molasses for the preparation of fodder and feed stock they have already been given and all the surplus States have reacted very positively.

(*Interruptions*)