

Bhopal gas tragedy we would also send our commandos to America to get him here.

MR. SPEAKER: That is not the view of the House.

Fertiliser Subsidy

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*102. SHRI ATAL BIHARI
VAJPAYEE:
SHRIGAYAPRASAD KORI:

Will the PRIME MINISTER be pleased to state:

(a) the fertiliser subsidy policy of the Government during the last one year;

(b) its impact on various categories of farmers; and

(c) the details of the present policy of the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHINTA MOHAN): (a) to (c). A statement is laid on the Table of the House.

STATEMENT

(a) During the last one year controlled fertilizers continued to be sold at subsidised prices to farmers. However, the consumer prices of fertilizers were increased by 40 per cent on an average w.e.f. 25.7.1991, but the increase was reduced to 30 per cent on an average w.e.f. 14.8. 1991. Some low analysis fertilizers were also de-controlled w.e.f. 25.7.1991. Further, on subsidy payable per tonne of Single Superphosphate (SSP) fertilizer, a ceiling was imposed w.e.f. 25.7.1991.

(b). While farmers continued to get fertilizers (excepting low analysis fertilizers) below cost, they had to pay higher prices in 1991-92 than in the previous year. However, a separate subsidy scheme

for the small and marginal farmers to compensate them for the price increase was implemented during the year 1991-92.

The consumption of fertilizers in 1991-92 showed an increase over the consumption in 1990-91 despite the increase in price.

(c) No changes have been made in the subsidy policy in the current year (1992-93). A Parliamentary Committee is currently looking into various aspects of fertilizer pricing and subsidy.

[Translation]

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, the statement laid on the Table of the House does not present the complete picture before us. The question was about eliciting information about the impact of concessions given as subsidy on fertilizers on various categories of farmers, the small and the marginal farmers, in the last Budget?

It is not enough to say that fertiliser consumption has increased in the country. It must also be made clear as to what has been the impact of subsidy concession on production.

Mr. Speaker, Sir, as per the reply a case for further reduction in subsidy is being considered by the Government. However, it will be difficult for the House to arrive at a conclusion till the figures of production and detailed report of the impact the subsidy concession had on small and the marginal farmers are not available.

[English]

DR. CHINTA MOHAN: Sir, the production of fertilisers has gone up by 8 per cent and the consumption of fertilisers has also gone up by 3.5 per cent. With regard to small and marginal farmers, we had given about Rs. 405 crores last year. It was distributed to different States. The States like Uttar Pradesh, they have distributed this money, per head Rs. 200/- to small and

marginal farmers; and States like Tamil Nadu, they have distributed it very correctly and said that the Government of India has given this to the small and marginal farmers because of the hike in the prices of fertilisers in the previous Budget. When the amount was distributed, more or less, the marginal farmers are very happy. Though the fertiliser prices have gone up, the consumption has also gone up and we have not received any report from any State saying that the farmers are very unhappy with the price increase.

[*Translation*]

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, the subsidy policy on fertilisers is not only in operation in India but it is also prevalent in other countries. There is a lot of dispute on it in the European Economic Community. As the Chairman of the Planning Commission, will the Hon. Prime Minister tell us whether it is a fact that the Planning Commission is in favour of de-controlling fertiliser? Has the Government considered this aspect?

A Parliamentary Committee has been constituted to take a decision on it. Will the Hon. Prime Minister give an assurance that recommendations of the Committee would be accorded first priority by the Government over the recommendations of the Planning Commission.

THE PRIME MINISTER (SHRI P.V. NARASIMHA RAO): Mr. Speaker, Sir, we have no such recommendations. At the moment I cannot say as to which will be our primary and which will be our secondary concern. I know the importance of a Parliamentary Committee and promise that it will be maintained.

SHRI ATAL BIHARI VAJPAYEE: Mr. Speaker, Sir, the difficulty is that the Hon. Prime Minister knows a lot while we do not.

SHRI P.V. NARASIMHA RAO: As and when the report of the Committee comes it will be laid in the House. Then you will come to know what importance has it got.

SHRI GAYA PRASAD KORI: Mr. Speaker, Sir, through you, I would like to know from the Government whether the subsidy on fertilisers given to farmers in Uttar Pradesh is being increased?

[*English*]

DR. CHINTA MOHAN: Sir, this amount was distributed long back. The amount was also distributed to the small and marginal farmers by the Uttar Pradesh Government.

[*Translation*]

SHRI ASHOK ANANDRAO DESHMUKH: Sir, I would like to point out that a subsidy of Rs. 650 crore on food and Rs. 505 crore on fertiliser was given during 1980-81; and since then this subsidy scheme is continuing. During 1991-92 Rs. 1800 crore on food and Rs. 4500 crore on fertiliser was given as subsidy; but on the one hand you have given subsidy, whereas on the other hand you have taken it back. I would like to know from the hon. Minister as to what was the excise duty on naphtha at that time. Freight prices, power prices, sales tax etc. have all gone up so high after 1980, that the increase in subsidy has become meaningless. I would also like to be informed as to what were the prices of other commodities during 1980 and 1991? My second question is that what is the districtwise details of the subsidy. I would also like to know whether you are going to pay the difference amount to those farmers who have purchased fertiliser on high rates.

[*English*]

DR. CHINTA MOHAN: All the prices have gone up except that of fertilizer. The Subsidy scheme was started in the month of November 1977, with an amount of Rs. 25 crores. Today approximately it has gone up to Rs. 7500 crores. The Government is paying nearly Rs. 25 crores per day for the farmers through the subsidy scheme. He said the raw material cost and the cost of so many things have gone up; it is true. As the Parliamentary Committee is examining it,

soon after getting the report of the Committee the Government will definitely consider their recommendations.

Committee is currently looking into various aspects of fertilizer pricing and subsidy. That means last year's subsidy is continuing.

[*Translation*]

SHRI NITISH KUMAR: Mr. Speaker, Sir, the hon. Minister has just stated in his reply that the present fertiliser policy of the Government has pleased the marginal farmers much. It was also said that last year Rs. 405 crores were distributed as subsidy among small and medium farmers and that this sent a wave of happiness among the farmers. This provision has been withdrawn in the present year budget and not a single penny has been allocated as subsidy to the small and medium farmers. Does the hon. Minister feel that this will please the farmers more? A provision of subsidy for small and marginal farmers was made last year. A satisfaction has been expressed that the subsidy amount was properly distributed in Uttar Pradesh and Tamil Nadu. Will this withdrawal enable the small and medium farmers to utilize the fertilizers? And will it not affect the production of foodgrains? In this state of affairs, what is the attitude of the Government regarding the subsidy on fertilizers?

[*Translation*]

SHRI VIJOY KUMAR YADAV: The hon. Minister has stated in his reply that cut in subsidy and the revision in subsidy that was made later on for marginal and poor farmers have led to an increase in the consumption of the fertilizers and it is based in the data. The hon. Minister gives the data of consumption by the farmers as a whole. The cut in subsidy has affected the marginal and poor farmers. So far as I know the benefit of it has gone to big farmers. Will the hon. Minister state whether the consumption of fertilizer by the marginal and poor farmers has gone up consequent upon the new policy of subsidy and if not, whether the Government would change that policy and would stop subsidy completely?

[*English*]

DR. CHINTA MOHAN: In the Budget we have already allocated Rs. 5000 crores. We have not reduced the subsidy amount. When compared to last year's budget, in this year's budget it has gone up. I cannot talk about the future policies; it all depends on the Parliamentary Committee's report.

[*English*]

DR. CHINTA MOHAN: Sir, I have the general information of fertiliser consumption which has gone up by 3.5 per cent. But, about the small and marginal farmers, about the minute details, it is difficult to give at present. I will get the reports from the different States and give it the hon. Member.

[*Translation*]

SHRI NITISH KUMAR: Will you please state as to what is the reaction on the withdrawal of subsidy for small and marginal farmers?

SHRI SOBHANANDREESWARA RAO VADDE: The hon. Minister has stated that in spite of the increase in the prices, the consumption has not come down. I would like to know from the hon. Minister whether it is not a fact that the percentage growth rate of consumption of fertilizers has come down in 1991-92, when compared to the previous years. The hon. Prime Minister as well as the Minister of State in the Ministry of Chemicals and Fertilizers who are coming from Andhra Pradesh are aware that even a small percentage of small and marginal farmers in Andhra Pradesh did not avail this opportunity of the past prices of the fertilizers given to them, that is the sum subsidy of Rs. 400 crores which was given in the last year's Budget. Since the small percentage of small and marginal farmers did not get it, I would

[*English*]

SHRI P.V. NARASIMHA RAO: No changes have been made in the subsidy policy in the current year. A Parliamentary

like to know from the Hon Prime Minister whether he will take suitable steps to see that the small and marginal farmers' interests are adequately protected relating to the State of Andhra Pradesh and I would also like to know from the hon. Prime Minister whether this Government will restrain itself from increasing further the prices of fertilisers in view of the fact the already our per hectare consumption of fertiliser is the lowest; the amount of fertiliser used is quite high when compared even with our neighbors like Pakistan and Bangladesh; and to meet our foodgrain targets by the year 2000 A.D. So, will the Government restrain itself from further enhancing the prices?

SHRI P.V. NARASIMHA RAO: If any of the small and marginal farmers who ought to have got the subsidy amount last year in any part of the State, have not got it, then, it is a matter of fact, we will look into it. About the other things, it is too early to say. I think, let the Parliamentary Committee submit its report. (*Interruptions*)

SHRI Y.S. RAJASEKHAR REDDY: Sir, the farmers never cherish the idea of asking for subsidy day in and day out. The Parliament and the Government are talking for the past so many years about keeping agriculture on par with the industry. Taking into consideration the cost of all inputs, the cost of land, the cost of fertilisers and the cost of the farmers' bullocks, bullock carts, etc. etc. and deciding the cost of the agricultural produce, if that sort of a rationale is fixed and if the cost of the agricultural produce is also fixed up, the farmers will not just crave for agricultural subsidy or fertilisers subsidy. Will the Government consider seriously, fixing up of remunerative prices for the agricultural produce?

MR. SPEAKER: It is in the terms of reference of the Committee. Question No. 103, Shri Ram Badan.

(*Interruptions*)

MR. SPEAKER: You cannot have it for the whole day

[*Translation*]

SHRI VILAS MUTTEMWAR: Mr. Speaker, Sir, let there be half an hour discussion on it. (*Interruptions*)

[*English*]

MR. SPEAKER: You give me a notice, we will see.

(*Interruptions*)

[*Translation*]

MR. SPEAKER: If every body wants let there be half an hour discussion on it.

(*Interruptions*)

MR. SPEAKER: You please take your seat, such shouts serve no purpose.

(*Interruptions*)

MR. SPEAKER: If you are so interested let you give a notice.

[*English*]

We will take up half-an-hour discussion but not like this.

MR. SPEAKER: Please understand.

(*Interruptions*)

MR. SPEAKER: Please sit down now.

(*Interruptions*)

MR. SPEAKER: You please take your seats.

(*Interruptions*)

MR. SPEAKER: Please take your seats first.

(*Interruptions*)