

## LOK SABHA DEBATES

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### LOK SABHA

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Tuesday, March 1, 1994, Phalguna 10,  
1915(Saka)

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The Lok Sabha met at Eleven of the  
Clock

[MR. SPEAKER *in the Chair*]

### ORAL ANSWERS TO QUESTIONS

[English]

#### Sugar Production

81. SHRI K. RAMAMURTHEE  
TINDIVANAM:  
DR. RAMKRISHNA  
KUSMARIA:

Will the Minister of FOOD be pleased  
to state:

(a) the production of sugar during  
1993-94 till date. State-wise.

(b) whether the production of sugar  
has fallen short of the target;

(c) if so, the extent thereof;

(d) the contribution of sugar by states  
towards Central pool. State-wise;

(e) the quantity of sugar proposed to be  
exported this year; and

(f) the action being taken by the  
Government to boost up sugar production?

THE MINISTER OF STATE OF THE  
MINISTRY OF FOOD (SHRI KALP NATH  
RAI) (a) to (f): A statement is laid on the Table  
of the House.

### STATEMENT

(a) The production of sugar in the country  
during 1993-94 sugar season aggregated to  
56.92 lakh tonnes upto 7.2.94 as against  
56.57 lakh tonnes on the corresponding date  
last year. State-wise figures of sugar production  
upto 7.2.94 are given at Annexure-I.

(b) and (c). The Committee constituted to  
formulate the Development programme for  
sugar Industry for the 8th Five Year Plan fixed  
a target of 127.76 lakh tonnes of sugar for the  
1993-94 sugar season. The present trends of  
production show that the production will be  
less than the target. However, it is too early to  
assess the exact shortfall.

(d) Under the present policy of partial  
control being followed since 17.12.1979, a  
specified percentage of total production of

each sugarfactory (except factories covered under various incentive schemes which are entitled for higher freesale quota) is released as levy sugar at notified ex-factory levy prices for distribution through the Public Distribution System. The levy-freesale ratio is 40:60 since 1992-93. No Central pool is being maintained separately for distribution of levy sugar.

(e) A quantity of 7271 tonnes has been notified as preferential quota for export to USA out of 1992-93 sugar season's production. In addition, 10,000 tonnes of preferential quota may be exported to EEC. Another 20,000 tonnes of levy sugar is proposed for export to Nepal under the Indo-Nepal Treaty of Trade.

(f) The Government has taken following measures to boost sugar production during 1993-94 sugar season:

- (i) Early crushing incentives were announced in the form of higher freesale quota at 72%, as against the normal entitlement of 60%, to sugar mills for the production achieved during the period 1.10.1993 to 15.11.1993.
- (ii) Mid-crushing incentives were announced in the form of higher freesale quota at 80%, as against the normal entitlement of 60%, to sugar mills for the additional incremental production to be achieved during the period 1.1.94 to 30.4.94 over the production during the same period in 1992-93 season.
- (iii) Late crushing incentives were

announced in the form of higher freesale quota at 72%, as against the normal entitlement of 60%, to sugar mills for the production to be achieved during the period 1.5.94 to 31.7.94

- (iv) Finance Ministry/Reserve Bank of India have been requested to provide need-based credit to the sugar industry during 1993-94 season.
- (v) State Governments have been requested to ensure prompt clearance of cane price dues to the farmers by the sugar factories.
- (vi) The loan component for grant of Sugar Development Fund assistance for KT Weirs and lift irrigation schemes has been enhanced from 66.6% to 90% of the project cost.
- (vii) The Statutory Minimum Price (SMP) for sugarcane for 1993-94 season has been announced at Rs. 34.50 per quintal, linked to a basic recovery of 8.5%, as against Rs. 31/- per quintal for 1992-93 season. An advance announcement of SMP for 1994-95 season has also been made at Rs. 37/- per quintal, linked to a basic recovery of 8.5%.
- (viii) The incentive scheme for new sugar factories and expansion projects has been suitably revised.
- (ix) State Governments have been requested to consider various measures to contain diversion of cane to Gur and Khandsar units.

STATEMENT-WISE PRODUCTION OF SUGAR DURING THE SEASON 1993-94 (OCTOBER-SEPTEMBER) UPTO 7TH FEBRUARY.

5

Oral Answers

Sl. No.	Name of the State	(Figures in Lakh tonnes) Production upto 7th February, 1994 (Provisional)	Sl. No.	Name of the State	(Figures in Lakh tonnes) Production upto 7th February, 1994 (Provisional)
1.	Punjab	2.71	10.	Orissa	0.17
2.	Haryana	2.20	11.	West Bengal	0.02
3.	Rajasthan	0.11	12.	Nagaland	0.03
4.	Uttar Pradesh	16.91	13.	Andhra Pradesh	2.87
5.	Madhya Pradesh	0.25	14.	Karnataka	4.63
6.	Gujrat	4.16	15.	Tamil Nadu	3.51
7.	Maharashtra	17.50	16.	Pondicherry	0.15
8.	Bihar	1.58	17.	Kerala	0.02
9.	Assam	0.04	18.	Goa	0.06
				ALL INDIA	56.92

PHALGUNA 10, 1915 (SAKA)

Oral Answers

6

SHRI K. RAMAMURTHEE  
TINDIVANAM: Sir, may I know from the hon. Minister the policy of the Government on sugarcane export? Is it surplus-oriented or export-oriented, i.e., export in spite of domestic demand meant for foreign exchange?

The sugar production has gone up in Tamil Nadu and more number of sugar mills have come up in recent years particularly in the cooperative sector. Does the Government intend privatisation of the cooperative sugar mills also?

Is the Government aware of the fact of the suffering of the farmers due to delayed and staggered payment for sugarcane supplied by them? What is the remedial action that the Government proposes in this regard? Is the Government aware of the fact the support price for sugarcane has not been paid in Tamil Nadu for years in some of the sugar mills? In this connection, the judgment of the Maharashtra High Court can be referred to, as the Government has given consideration to High Court's direction also.

SHRI KALP NATH RAI: Mr. Speaker, Sir, the Government has no proposal to export sugar this year to foreign countries. But we have got some commitment. According to that, we have to export 7,000 tonnes to USA, 10,000 tonnes to EEC and 20,000 tonnes to Nepal. This is the commitment by the Government of India. We have to fulfil the commitment.

So far as the price of sugarcane is concerned, the statutory minimum price is decided by the Government of India.

AN HON. MEMBER: It should be paid to the farmers.

SHRI KALP NATH RAI: So far as the

advised price is concerned, that is decided by the State Government. The statutory minimum price of the sugarcane was enhanced in 1991-92 by Rs. 5, that is, from Rs. 26 to Rs. 31 per quintal. Again, this year, it has been raised by Rs. 3.50 per quintal. The statutory minimum price of Rs. 34.50 p. has been declared by the Government of India. The advised price is decided by various State Governments. That is finally available to the farmers.

SHRI K. RAMAMURTHEE  
TINDIVANAM: What is the use if the farmers do not get the price even though the Government has announced it?

The Government must guarantee for payment. The Minister has not replied in regard to payment.

SHRI KALP NATH RAI: Most of the arrears in regard to sugarcane has been cleared in the country but I have told you that the statutory minimum price is decided by the Central Government but the respective States advise and decide the price and they give the price to the sugarcane growers in their respective States.

SHRI K. RAMAMURTHEE  
TINDIVANAM: What is the reason for the large gap between the demand and supply of sugar to the States from the special pool with special reference to Tamil Nadu? What steps does the Government propose to take to see that the price of sugar sold through the public distribution system is maintained within the each of the weaker sections of the society without being influenced by the market economy?

SHRI KALP NATH RAI: Whatever is the production of sugar in the country, 40 per cent of it goes for levy and 60 per cent of sugar goes for free sale and the Government

of India decides the quantum of levy sugar according to the norms of the State Governments. We have been fulfilling requirements of all the States and the State Governments give the levy sugar to the needy people.

[*Translation*]

DR. RAMKRISHAN KUSMARIA: Mr. Speaker, Sir, the hon. Minister said that the target of sugar production has been fixed at 127.76 lakh tonnes. Due to low production this target is not being achieved. What are the reasons there for and what are the remedial measures? Please give the State wise details of the loans to be granted by the Reserve Bank of India to promote sugar industry.

(*Interruptions*).

MR. SPEAKER: Your first question is right. Please listen to its reply.

SHRI KALP NATH RAI: Mr. Speaker, Sir, the target of sugar production is 127 lakh tonnes. You will be pleased to know that production of sugar in our country during 1991-92 was 134 lakh tonnes. (*Interruptions*)... I am replying to the question, if you have any question you may ask, I would reply to it... (*interruptions*)... During 1992-93, 106 lakh tonnes of sugar was produced and 57 lakh tonnes sugar has been produced so far this year it exceeds the production of sugar in previous year by 35,000 tonnes. I believe that the quantity of sugar to be produced up to 30th May will be equal to the quantity of sugar produced up to 30th May last year.

[*English*]

SHRI ANKUSHRAO RAOSAHEB TOPE: In 1991-92, production of sugar was

134 lakh tonnes and in 1992-93, it was 106 lakh tonnes. This year, even though the target is 127.6, the achievement is only 56.92 and only two months are left for us. Year by year, production is reducing. There is less production inspite of the increasing number of factories due to which production should also increase. What are the main reasons for this shortfall? In addition to this, the release is much more compared to last year's production. Two lakh tonnes of sugar are released more this year compared to last year.

What are the reason for that? From December 1992 to 1994, out of a release of 75,000 tonnes, 58,000 tonnes only are released to one company, viz. the Oswal Group. What are the reasons?

[*Translation*]

SHRI KALP NATH RAI: Mr. Speaker, Sir, he has asked reasons for less than 134 lakh tonnes of sugar production this year. Sugar production depends on the climatic conditions also. It also depends on the reasonable sugarcane price given to farmers. If farmers come to know that as compared to other commodities like wheat, rice they will get more profit in sugarcane, they will produce sugarcane in larger quantity. Maharashtra is the largest sugar producer state in the country. Due to drought sugar production was not optimum there. Therefore, there has been heavy shortfall in production of sugar. The Government is making concerted efforts. As on 31.1.93 in the country the sugar producers had to receive arrears of Rs. 475 crore out of which Rs. 204 crores was against Uttar Pradesh. The opposition party was in the Government there at that time... (*Interruptions*)...

I told that Rs. 475 crore was the arrear in the country last year.

SHRI RAJVEER SINGH: Last year it was also your party which was in the Power there because there was President's rule that time...(Interruptions) ..

SHRI KALP NATH RAI: You must be knowing it very well that there was firing in Ramkola which claimed the lives of many sugarcane growers. The farmers had Rs. 204 crore due to them. That time the opposition leaders like Shri Chandrajit Yadav and Shri Ram Vilas Paswan of the Communist Party.... (Interruptions)....

[English]

SHRI NITISH KUMAR: Sir, today the Minister is nervous. He should be supplied a glass of water.

[Translation]

SHRI BASUDEB ACHARIA: He is the leader of the Janata Dal. Please set it right.

SHRI KALP NATH RAI: Yes, he is the leader of the Janata Dal. The farmers were not paid reasonable price of sugarcane, as a result of which they reduced sugarcane production. Due to drought also the production was low in Maharashtra and many other states. The farmers of Punjab and Haryana say that they earn higher amounts of profit in wheat and rice. Therefore, sugarcane produced there was less. These factors are responsible for low production of sugarcane in our country. But we estimate that with the implementation of the present policy of the Government farmers will get reasonable prices of their sugarcane and with the incentives they will be able to produce adequate quantity of sugarcane next year and the Government will be self-sufficient in sugar.

SHRI RAM NAGINA MISRA: Mr. Speaker, Sir, I am asking this question in

regard to the reply given by the hon. Minister. In reply to the question whether sugar produced so far has been less or more than target, he replied that the quantity is some what more. It is true that the production made so far is equal to earlier productions. In Uttar Pradesh, the factories worked till 15th July and this year these factories are going to be closed by the 15th end of March. Thus the factories in Uttar Pradesh will work two months less, so sugar production will be less because crushing of sugarcane will be less, just now the hon. Minister said that the opposition party was in the Government in Uttar Pradesh at that time and the farmers had to receive arrears of crores of rupees. But it is a fact that price of sugar and sugarcane were fixed all over the country as well as in Uttar Pradesh as per to the policy of the Central Government. Is not it a fact that price of sugar have been raised by Rs. 225 per quintal within a year which enabled the sugarcane growers get reasonable price. Therefore, it does not behove of you to say that price of sugarcane went up due to the rule of the opposition party and consequently the price of sugar was raised. Is it true?

Mr. Speaker, Sir, it is a fact that according to the present situation, crushing of sugarcane will be closed in the factories in Uttar Pradesh in March and the production will be decline. Will the hon. Minister like to make arrangements to take steps to increase production capacity of those sugarmills lying in miserable condition in the interest of the farmers there so that sugarcane production and sugar could rise?

SHRI KALP NATH RAI: Mr. Speaker, Sir, I would like to ask my hon. friends from that side whether price of sugarcane.... (Interruptions)... I think it proper to reply to the question put by hon. Members... I would like to point it out to them that the increase in the prices of sugarcane last year by the

Central Government is the highest in the history of last 46 years.

SHRI RAM NAGINA MISRA: The price of sugar has been raised.

SHRI KALP NATH RAI: Mr. Speaker, Sir, I would like to point it out to him that the increase in the price of sugarcane last year is the highest in 46 years as a result of which sugar production is likely to increase very much next year and it will be the record production in our country.

[English]

SHRI SOBHANADREESWARA RAO VADDE: Mr. Speaker, Sir, in view of the fact that the consumption of sugar is increasing at a compound rate of 5 per cent - and as mentioned by the Minister just now that there is a reduction in sugar production - I would like to know whether the Government will take necessary steps to increase the statutory minimum price which has been fixed at Rs. 34.50.

MR. SPEAKER: He has replied that it has already been done.

SHRI SOBHANADREESWARA RAO VADDE: Last year, the increase was Rs. 5. This year, it is only Rs. 3.50. In view of the comparative prices for other agricultural produce like paddy, wheat and other products - the price of paddy comes to Rs. 37.50 - I would like to know whether the Government would encourage the cane growers to see that the benefit of de-control of molasses goes to them. In order to encourage cane cultivation, will you give instructions to the factories specifically to share 50 per cent of the additional profits earned by them which will subsequently lead to increase in sugar production?

SHRI KALP NATH RAI: Mr. Speaker, Sir, the Statutory Minimum Price is linked with the Levy price. Here, the hon. Member is asking why the price of sugar has gone up. As you have rightly said, 50 per cent profit on the molasses will go to the farmers.

SHRI SOBHANADREESWARA RAO VADDE: You have not given the instructions. Contrary to your promise, you have not given the instructions.

SHRI KALP NATH RAI: After de-control of the molasses, 50 per cent of the profit has gone to sugarcane growers.

SHRI SOBHANADREESWARA RAO VADDE: No. Not a single factory has given. You take the example of the biggest sugar factory in Andhra Pradesh. They are getting profits worth crores of rupees but they are not giving them to the cane growers. Do not try to mislead.... (*Interruptions*)...

MR. SPEAKER: Mr. Minister, you will not reply to any of the interjections. You will only reply to the main supplementary..... (*Interruptions*)...

MR. KALP NATH RAI: Sir, because of de - control of molasses, 50 per cent of the profit will go to the sugarcane growers... (*Interruptions*)...

MR. SPEAKER: So, you are expecting it to go to the growers.

SHRI KALP NATH RAI: In cooperative sector, 100 per cent will go. As far as private millowners are concerned, 50 per cent will go for their modernisation, for rehabilitation and for the growth of the industries.

SHRI SOBHANADREESWARA RAO

VADDE: But the orders have not been issued.

SHRI KALP NATH RAI: These have been done.... (*Interruptions*)....

SHRI SOBHANADREESWARA RAO  
VADDE: Not a single rupee has been given to the farmers.

SHRI KALP NATH RAI: So, I would like to say that the highest price for sugarcane is being given to the farmers of India because of de-control of molasses....(*Interruptions*)....

SHRI SOBHANADREESWARA RAO  
VADDE: No. I am very sorry to say that.

SHRI VIJAY NAVAL PATIL: The hon. Minister has just now said that the Minimum Support price is Rs. 34.50 per quintal which is not sufficient. That is why, the farmers in Maharashtra had to take recourse to courts of law. One High Court had decided and given orders that the Minimum Support Price to be given to the farmers should be Rs. 730 per tonne which is double the price fixed as Support Price by the Government of India. This is because of increase in the cost of production, reduction of subsidy on fertilizers and the cost of inputs which have gone up. That is the reason why the sugarcane farming has become very costly.

I would like to know from the hon. Minister whether in view of the court's order, he is going to increase the Support price of sugar.

MR. SPEAKER: That was exactly the question which was asked by Mr. Rao.

SHRI SOBHANADREESWARA RAO  
VADDE: Mr. Speaker, Sir, I wanted to bring these facts to the knowledge of the Minister. The farmers in Maharashtra had gone to the

court and the court had fixed the Minimum Support Price which is double the price fixed by the Government of India.

SHRI KALP NATH RAI: Mr. Speaker, Sir, when the Government of India decides the price of the sugarcane, they keep in mind the interests of the sugarcane growers, sugar mills and the consumers. As the hon. member was saying that the price of sugar is increasing. I want to tell him that sugar in India is the cheapest in the whole world. Let him tell me the name of any one country where the price of sugar is lower compared to India.

MR. SPEAKER: Now, this is a question relating to sugar. Let it be asked in a sweet manner. The reply can also be forceful, but it should be speeded up.

[*Translation*]

SHRI RAJVEER SINGH: Mr. Speaker, Sir, with just now the hon. Minister condemned the previous Government, with your kind permission. I would like to know from him as to why payment has not been made to the sugar mills of U.P. the last two months, payment would be made to farmers only when sugarmills get their dues. No payment has been made to farmers by sugarmills so far since December. In the circumstances I would like to know the reasons for not making payment.

MR. SPEAKER: Payment to the sugar mills has not been made. Nobody makes payment to sugar mills.

[*English*]

Nobody pays to the sugar mills.

(*Interruptions*)

MR. SPEAKER: Let us understand the things and ask a question. Nobody pays to the sugar mills; the sugar mills have to sell sugar and give the money to the farmers.

*(Interruptions)*

*[Translation]*

SHRI RAJVEER SINGH: The hon. Minister has just now condemned for not making payment to sugarcane growers. I would also like to ask him direct as to why payment was not made to sugarcane growers last year though there was President's Rule in the State at that time.

Today, who is responsible for not making payment to sugarcane growers? They have not getting their payment since December. Is the hon. Minister or the Government of U.P. responsible for it? They were also in the Government there.... *(Interruptions)*...

*[English]*

MR. SPEAKER: Well, the intention is that the money is not given. Can we do something to give the money?

*[Translation]*

SHRI KALP NATH RAI: 99 percent payment of outstanding dues to be paid to the sugarcane growers in U.P. since December, has been made..... *(Interruptions)*....

*[English]*

MR. SPEAKER: I object to this kind of interruptions. You first hear him.

*[Translation]*

SHRI KALP NATH RAI: There are three types of sugar mills in U.P. One is the cooperative sector, the second one corporation and third the private sector.

SHRI RAM NAGINA MISRA: He owns four mills.

SHRI KALP NATH RAI: If the payment have not been made for the last two months, I would ask Shri Mulayam Singh, the Chief Minister of U.P. the reasons for not making payment and also direct him to ensure payment.

#### **Electricity and Water For Fishermen**

\*82. SHRI SUDHIR SAWANT: Will the Minister of AGRICULTURE be pleased to state:

(a) whether fishery is treated at par with agriculture;

(b) if so, whether electricity and water are supplied for fishery and fish farming at par with agriculture rates;

(c) if so, the details thereof; and

(d) the details of Central subsidy being given to States for providing electricity and water for agriculturists and fishermen at concessional rates?

THE MINISTER OF STATE IN THE MINISTRY OF NON-CONVENTIONAL ENERGY SOURCES AND MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI S. KRISHNA KUMAR):(a) to (c) No, Sir. The States are not supplying electricity and water for