

pricing system so far as sugar is concerned; one is levy price—the price at which sugar is supplied to P.D.S., and the other is free-sale price, both are determined by the Government. Certain percentage of sugar production is purchased by Government on levy-price and the remaining production is left for free-sale. There is no central pool for sugar. Last year, the ratio was 40 : 60 for levy and free-sale sugar respectively. The levy sugar is allocated to state Government and we do not maintain any central pool.

As for incentives to farmers, we grant licences for setting up sugar factories, for augmenting cane production. The assessment of needed crop area is left to the sugar factories. They will plant cane, keeping in view the price they get. This year, we are estimating a production of 143 lakh tonnes and we are offering different types of incentives. There is no shortage of sugar production capacity.

**Shri Harisinh Chavda :** May I know what quantity of sugar was imported during those two years and at what price and also how did it compare with the price of indigenous sugar?

**Mr. Speaker :** There is a separate question on sugar price, you can ask this price question when we take up that question. You are speaking on sugar production. We have question after question. You ask questions as to what is to be done to increase production, or what is the total production etc.

**Shri Harisinh Chavda :** The figures show that sugar production has fallen in four or five states as a result, farmer's income has come down. What steps are being taken to help and provide incentives to such states?

**Shri Ajit Singh :** A short-fall of just 4 or 5 percent was registered only in Punjab and Gujarat this year, may be because of weather factor or increased supply of sugarcane to khandsari mills. But the shortfall is insignificant.

[English]

**Shri Prithviraj D. Chavan :** Sir, this year we have had a record production of sugar; from 96 lakh tonnes we are expecting 145 lakh tonnes. In order not to repeat the situation of last year, the Government has decided to create a buffer stock of about 10 lakh or 15 lakh tonnes. I would like to ask the hon. Minister whether a concrete decision has been taken to create this buffer stock and get the sugar from the sugar factories so that in turn the sugar factories can clear the cane arrears to the farmers.

[Translation]

**Shri Ajit Singh :** No final decision has been taken on this so far because we have not received final figures of sugar production. Still, we are conscious in ensuring full cost to farmer and if necessary, we will create buffer-stocks.

**Shri Prithviraj D. Chavan :** There is the problem of buffer stock.

**Shri Ajit Singh :** There is no problem.

[English]

### SUGAR PRICE

\* 763. **†Shri Indrajit Gupta :**  
**Shri Pramotes Mukherjee :**

Will the Minister of Food be pleased to state :

(a) the details of Sugar prices fixed during the last two years and comparison thereof with the prevailing prices of the sugar supplied through public Distribution System, percentage-wise and year-wise.

(b) whether in the absence of definite sugar pricing large number of consumers have been adversely affected in the country;

(c) where even import of Sugar has not reduced the suffering of the consumers at all and they are subjected to high pricing in the open market as well as less availability of sugar;

(d) whether the Government is yet to set up a National Pricing Board for sugar;

(e) if so, the facts and details thereof, and

(f) if not, the reasons therefor?

**The Minister of Food (Shri Ajit Singh) :** (a) to (f) A statement is laid on the Table of the House.

### STATEMENT

(a) The retail issue price of levy sugar supplied through the Public Distribution System (PDS) was fixed at Rs.8.30 per Kg with effect from 17.2.1993 and Rs. 9.05 per Kg. with effect from 1.2.1994. Levy Sugar supplied through the public Distribution System is to be sold to the consumers at the aforesaid uniform retail issue price throughout the country.

(b) Under the present policy of partial control with a dual pricing system, 40% of the production of each sugar factory (effective average about 33% on account of various incentive schemes) is procured at pre-determined ex-factory prices of levy sugar for distribution through the PDS at a uniform retail issue price throughout the country. The remaining quantity is released in a regulated manner as free-sale sugar for sale in the open market at prices determined by market forces.

- (c) Sugar has been placed under OGL (Open General Licence) since March 1994. Under this facility, Government agencies imported 9.77 lakh tonnes of sugar to meet the shortfall for the public Distribution System. In addition, about 9.84 lakh tonnes (as per last available information) was imported by various parties. This import had the desired effect of reducing the open market price of sugar. The wholesale price index of the sugar which stood at 247.1 in June 1994 has come down to 228.0 in October 1994 and further to 218.4 in March 1995.
- (d) to (f) During the last sugar Ministers conference held on 6.5.1995, majority of the States/UTS supported the proposal for the setting up of a National Pricing Board for sugarcane, but a final view in this regard will be taken only after obtaining detailed comments from the state Governments.

**Shri Indrajit Gupta :** Sir, after going through the statement, I am apprehensive that we may be heading for another sugar scam like we had recently, though it may be a sugar scam in reverse this time. Last time, as we all know, there was acute shortage of sugar and fall in production. From many quarters the Government was being warned that unless imports are arranged for in time there is likely to be great scarcity and rise in prices. The Government, as we all know, delayed this import decision for quite a long time and the prices went up at one time to Rs. 18 or Rs. 20 a kilo of sugar. Huge profit were made by the sugar mill owners and big and wholesale sugar traders.

Sir, I want to know why this year-where it is being anticipated, as we heard just now, that there may be a record bumper crop and bumper production going upto 145 lakh tonnes-the Government, as reported in the press and not being contradicted yet, this time has already contracted for import of sugar. I do not exactly know what quantity is being imported. The Minister can tell us. When there is going to be bumper crop production in the country and they are even thinking of having a buffer stock and all that, why are they importing? On what consideration foreign exchange is going to be spent to import several thousand tonnes of sugar from abroad?

In the year in which it was actually required, it was delayed so much that there was a big crisis. This time it is the reverse. It is all confusing. So, I would like to know what is the Government's policy.

[Translation]

**Shri Ajit Singh :** Mr. Speaker, sir, as the hon. member has stated, last year, there was shortage of sugar and we had to import it. A decision was taken in December last to import sugar as the production in January was estimated to 11.8 million tonne which was even less in December. Since there was no estimate of bumper production, it was decided

to import 5 million tonne and, by March-April, when production estimate went up, we had already contracted 4 lakh tonne and the contract for remaining one lakh tonne was cancelled because of increased production.

**Shri Indrajit Gupta :** Will we have to import 4 lakh tonnes ?

**Shri Ajit Singh :** Contracts for 4 lakh tonnes had been signed. It was to be imported in July-August, but later it was rolled for September. We have to build buffer stock; a decision for further import will be taken by government on receipt of final firm production figures.

[English]

**Shri Indrajit Gupta :** Sir, this is way I am saying that I am very apprehensive of some other scam or scandal taking place. It is very strange that the Government agency, for example, the one which is supposed to forecast or to make an estimate of the actual production in each season, does not coordinate at all with the agencies which are looking after imports and exports. He says that he did not have the knowledge that there was going to be a bumper crop. So, I would like to know from him as to which are these separate Government agencies that are functioning in this totally uncoordinated manner. One does not know what the other is doing.

Secondly, in this statement it is said that sugar has been placed under Open General Licence for import since March, 1994. We are now in the middle of 1995. Under this Open General Licence facility, the statement says that Government agencies imported 9.77 lakh tonnes and private agencies imported 9.84 lakh tonnes. These two figures add up together to 19.61 lakh tonnes. It was all imported after March, 1994 utilising this facility of the Open General Licence. All this sugar has been imported and now they have again contracted for five lakh tonnes, of which they have cancelled one lakh tonnes. They cannot cancel the remaining four lakh tonnes. So, that four lakh tonnes will also come. I want to know whether they are going to be faced, this time, with a surplus of sugar and a fall in prices. Is there going to be any fall in prices as far as levy sugar is concerned, as far as free market sugar is concerned? What about the kisans who are not getting crores and crores of rupees of arrears of their sugarcane price? Are they going to get remedy or relief out of this?

[Translation]

**Shri Ajit Singh :** Mr. Speaker, sir, the hon. member wants to know the names of agencies engaged in import and has alleged that there is no coordination, but this is not so. We obtain estimates from the Agriculture Ministry, from ISMA, Sugar manufacturers organisation, from sugar cooperatives. There is also a Committee of Secretaries. At that time a decision was taken to import sugar...(interruptions) I have with me the figures of January. It was 11.8 million tonnes. This is not a fact that MMTC of STC are importing sugar on their own. At that

time, it was decided to import 5 lakh tonnes. The production estimate depends on several factors. It is difficult to make an estimate of sugarcane crop in December. Sugarcane can also be diverted to khandsari and gur. One of the reasons for lower sugar production last year was diversion of sizeable quantity of sugarcane to khandsari and Gur factories. We update our estimates every month. The decision to import sugar was taken as a precautionary measure to ward off any apprehension, as also expressed by the hon. member, of shortage of sugar that we faced last year; there was no harm if the stocks become surplus but there should, in no case be shortage

As far the comparability of import price and levy price of sugar. the levy price was increased in February 1994. And, as you know, thereafter, cane prices were increased, cost of production went up, cost of transportation increased and still we did not raise sugar price to ensure its supply to consumer at fair price.

**Shri Indarjit Gupta :** What fair price? It is more than Rs. Nine per Kg.

**Shri Ajit Singh :** He has just now pleaded that farmer should get remunerative price. We have to keep three factors in mind in the matter of sugar industry, namely, stability in sugar prices, viability to sugar mills and remunerative price for sugarcane. If the industry is not viable, then there is the question of arrears of cane growers. So, as I have stated, levy sugar price has not been increased since February 1994. About estimation of manufacturer's cost, as some hon. Member had asked Shri Buta Singh just before, the BICP is there is to workout the production cost but the issue price of levy sugar is less than the production cost.

Regarding increase in open market price of sugar, I have figures with me for the last three-four months for Delhi; it was Rs. 13 in May, Rs. 13 in April and also Rs. 13 in March. The sugar price in Delhi is constant at Rs. 13 or Rs. 13.25 Per Kg. since January. It is Rs. 13 to Rs. 14 per Kg. in Bombay. There has been no significant rise in sugar prices during the last 5-6 months sometimes it is Rs. 1 more sometimes Rs. 1 less. Import can be one of the factors for increase in sugar prices in June last year, but the major factor was lower release of free sale sugar in June which, I think, was around 5.75 lakh tonne, but in June this year we have released 7 lakh tonne free sale sugar.

As far as farmers cane arrears are concerned, they stood at Rs. 600 crore at the end of March. It is a huge amount and we are very much concerned over it. We have written to each Chief Minister to enforce legal provisions of payment at interest if payment is delayed beyond 15 days. Rs. 600 crore is a staggering amount, but it is only 13 per cent this year, it was 28 to 30 per cent two year ago. We have a bumper sugarcane crop this year and sugar production is also increasing. Although the arrears amount

is huge still we are trying to reduce it and ensure early payment to farmers.

*[English]*

**Shri Pramotes Mukherjee :** Sir, I have gone through the statement and I find that it is not up to the mark ;or satisfaction it appears to me that the Government is not alert on the present sugar scenario and is not aware of the present sufferings of the people due to the present sugar scenario.

Anyway, Sir, I put two questions before the Minister for his comments. Firstly, what is the stock of the sugar and what is the present arrangement for the distribution of sugar at fair price to the consumers? Secondly, is there any scheme for cutting down the duty on molasses to push up the sugar prices?

*[Translation]*

**Shri Ajit Singh :** I do not have the figures with me. But as I have said, 13.7 million tonne sugar has been produced till 7th May and he should not entertain any apprehension of shortage. About duty on molasses, 40 per cent of import...*(Interruption)*

*[English]*

**Shri Pramotes Mukherjee :** Mr. Minister, please mention the figures.

**Shri Ajit Singh :** Figures about what?

**Shri Pramotes Mukherjee :** I want the figures pertaining to the present stock position.

*[Translation]*

**Shri Ajit Singh :** I have already stated that the sugar production stood at 13.3 million tonne as in May and we have perhaps released nearly 5.7 million tonne free sale sugar so far.

**Mr. Speaker :** This works out to 40 per cent.

**Shri Ajit Singh :** If we add levy sugar, the sugar supply per month comes to 3.35 lakh tonne. I will write to states also. There is no shortage of sugar. The duty on molasses has been reduced to 10 per cent.

**Shri Ram Nagina Mishra :** Mr. Speaker, Sir, I will raise only 2-3 points for want of time. The workers of sugar factories are supplied monthly quota of sugar at levy rate. I would like to know whether the cane supplied and cane workers will also be given sugar at levy price? The cost production of southern state mills is less compared to that of North Indian Mills. The percentage of recovery is higher, the production is also higher in South India Mills while the levy sugar rates are same for both. This causes loss to North India Mills. In the circumstances, whether he will offer some concessions to North India Sugar Mills; my third

questionisabout molasses...(Interruptions)

**Mr. Speaker :** Time is up.

**Shri Ram Nagina Mishra :** He has spoken about sugar cane pnces. The cane growers of Utter Pradesh are suffering because they have not been paid arrears by the Mills. I have raised this issue several times...(Interruptions) I would like to know by what time he will get the arrears liquidated, paid to the cane growers?

**Shri Ajit Singh :** As regards the closing stock of last year as on 7th May, we have more than 91 lakhs tonne of stock, Regarding payment of arrears, as I have already stated, we have written to the state Government and the orders are to be implmented by that Government. They can ensure payment of cane dues to farmers in the way they are making the revenue recovery. I have already written and will write again to impress upon the state government that they should make early payment of farmers dues. As for the levy sugar, It's price is uniform for the entire public distribution System but the cost of levy sugar paid to factories differs from zone to zone. Separate zones have been fromed based on recovery factor and other factors

## WRITTEN ANSWERS

[English]

### EXPENDITURE ON CENTRAL SCHOOLS

\*764. **Shrimati Geeta Mukherjee :**  
**Shri Santosh Kumer Gangwar :**

**Will the Minister of Human Resource Development be pleased to state :**

(a) Whether per capita amount being spent on the students in Kendriya Vidyalayas and Navodaya vidyalayas is very little;

(b) if so, the details thereof;

(c) whether in view of the above Government propose to bring the expenditure on Kendriya Vidyalayas and Navodaya Vidyalayas under the plan Expenditure; and

(d) if so, the ditails thereof?

**The Minister of Human Resource Development (Shri Madhavrao Scindia) :** (a) & (b) the per capita amount spent in 1993-94 on students in kendriya Vidyalayas and Navodoya vidyalayas is Rs. 2710 and Rs. 9889 respectively.

(c) & (d) Novodaya Vidyalaya Scheme is provided adequate plan funds since inception and provision for 1995-96 for the Navodaya Vidyalaya Samiti is Rs. 200 crores. For the Kendriya Vidyalaya Sangathan porvision of plan funds has been made for the first time in 1995-96 and provision is Rs. 10.50 crores.

### NOISE POLLUTION

\*765. **Shri Shiv Sharan Verma :** Will the Minister of Environment and Forests be pleased to state .

(a) the level of urban noise acceptable under international standards and the level of noise observed in major towns/cities in India;

(b) The reasons therefor;

(c) Whether the Government have conducted any study in regard to noise pollution in various cities/places;

(d) if so, the outcome thereof; and

(e) The steps/measures taken by the Government to reduce noise pollution?

**The Minister of State of the Ministry of Environment and Forests (Shri Kamal Nath) :** (a) to (d) The urban noise levels acceptable under international standards have been prescribed by the World Health Organisation. Noise pollution surveys have been conducted by Central Pollution Control Board in the major cities of the country during 1990- 1994. The details are given in the enclosed Statement-I The noise levels were found generally within the prescribed limits in industrial areas, but exceeded the standards in respect of commercial, residential and silence zones during certain times. The increasing trend of noise in these cities is due to increase in human activities including vehicular traffic.

(e) Statement-II is enclosed.

### STATEMENT-I

#### Recommended Noise-Exposure Limits by World Health Organisation (WHO) 1980 :

Environment	Recommended Maximum Level
Industrial/Occupational	75 decibels
<b>Community/Urban</b>	
Day-time	55 decibels
Night-time	45 decibels
<b>Indoor/domestic</b>	
Day-time	45 decibels
Night-time	35 decibels