

## LOK SABHA DEBATES

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### LOK SABHA

Friday, May 8, 1992/Vaisakha  
18, 1914(Saka)

The Lok Sabha met at  
Eleven of the Clock

[MR. SPEAKER *in the Chair*]

### ORAL ANSWERS TO QUESTIONS

[English]

#### Export of Rice.

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\*922. SHRI BHUPINDER SINGH  
HOODA:  
SHRI NARAIN SINGH  
CHAUDHRI:

Will the Minister of COMMERCE be  
pleased to state:

(a) whether any target has been fixed  
for the export of rice during the current year;

(b) if so, the details thereof; and

(c) the measures proposed to be taken  
by the Government to achieve the target?

THE MINISTER OF STATE OF THE  
MINISTRY OF COMMERCE (SHRI P. CHI-  
DAMBARAM): (a) and (b). The target for

export of rice for the the current year is yet to  
be finalised.

(c) The existineg policy for export of rice  
is considered adequate. No further meas-  
ures are proposed to be taken by the Gov-  
ernment to push export of rice during the  
current year.

[Translation]

SHRI BHUPINDER SINGH HOODA:  
Mr. Speaker, Sir, what is the basis for fixing  
the target? Is the surplus production consid-  
ered as the basis or something else is con-  
sidered as the basis? Secondly, whether the  
Government is thinking of formulating a policy  
under which the agriculturist may directly get  
the benefit of export, as is the case with  
industries? Can an ariculturist get rice plant-  
ing machinery or tractor or other tools for  
himself on the same basis? The producer  
does not have any gains, so the agriculturist  
will not take interest in more production,  
because he does not get any direct benefit  
from export.

[English]

SHRI P. CHIDAMBARAM: Sir, it the  
farmer exports or farmers cooperative ex-  
ports or farmers organization exports, surely  
that exporter be he the farmer or the  
farmers, cooperative, will get the benefit.  
Earlier, the exporter would have got  
the EXIM scrip benefit. Today, they will get  
the benefit of LERMS policy. As far as the  
quantity to be exported, the Ministry of  
Commerce goes by the advice of the Minis-  
try of Agriculture and the Ministry of  
Food.

As I have repeatedly said, the Government's opposition is, in regard to basic commodities, cereals, we will export only the surpluses. Or first duty is to the people of this country. If there are surpluses, they will be made available for export.

[*Translation*]

SHRI BHUPINDER SINGH HOODA:

Mr. Speaker, Sir, is the Government thinking of forming an agriculture Product Export Promotion Council which will give direct benefit to the agriculturist for his produce? The targets for export may be announced in advance so that the agriculturist may manage his crop and produce accordingly. Because, it so happens that some times there is a good crop and the yield is also high do the agriculturist has to make distress sale of his crop. When the production is low, middle man buys the crop. This way the Agriculturist is a loser both ways. Is the Government making any such provision according to which the agriculturist can get the proper benefit of the Government policy?

[*English*]

SHRI P. CHIDAMBARAM: Sir, there is Agricultural and Processed Foods Export Development Authority (APEDA) which is doing precisely the work which the hon. Member intends should be done by the Council.

As regards the target, I wish we could set the targets very early, in respect of rice which is the subject matter of this question. For basmati rice, that is freely exportable because we have enough surpluses of basmati rice. For non-basmati rice, it is not possible to fix the target. It has not been possible to finalise the target because we are only barely marginal as far as production and consumption are concerned. We cannot take any hasty decision. We have to fix the surplus and only then we can make available these quantities for export. Once we become sufficiently surplus, then perhaps, we can fix the targets well in advance. It is not possible this year.

[*Translation*]

SHRI NARAIN SINGH CHAUDHRI: Mr. Speaker, Sir, I would like to know from the hon. Minister through you the reasons for delay in fixing the target for export of rice, the details of the present policy of export of rice and the basis on which rice has been exported during the past three years?

[*English*]

SHRI P. CHIDAMBARAM: Sir, as I said, there is no difficulty in indicating the quantity or the value of Basmati rice that will be exported. We expect to export Basmati rice of the value approximately of Rs. 500 crores. But, in respect of non-Basmati rice, it is not possible to indicate any quantity or value targets because we must ascertain the total production, the total procurement and the total needs for domestic consumption. Since we are only barely marginally surplus in that, we cannot take any hasty decision because we must ensure that adequate rice is available for the domestic market and the public distribution system.

SHRI SOBHANADREESWARA RAO

VADDE: Mr. Speaker, Sir, the reply of the hon. Minister confirms the present policy of the Government. That is, only when there is something available as surplus, the Government wishes to export it. Due to this policy, in regard to our exports to other countries, we could not find a steady market and some years we are exporting and the very next year, we are not able to export. And so, we are not getting enough foreign exchange from the countries which import these products from us. In view of this fact, I would like to know from the hon. Minister, through you, Sir, as to whether the Government will reconsider these present policy and come to an idea so as to export a certain minimum quantity of rice or wheat or cotton or other agricultural products so that we will definitely be in a position to export and earn foreign exchange. Is it not a fact that the present targets of production are barely sufficient to meet the domestic requirements and they are not kept in view of our export necessities? So,

will the Ministry of Commerce interact with the Ministry of agriculture and see that definitely the increase in the target is made and also necessary funds are made available to the farmers to produce that quantity of agricultural products especially rice and other food products to meet our foreign exchange commitments and achieve targets so as to earn more foreign exchange?

**SHRI P CHIDAMBARAM:** I entirely share the approach of the hon. Member. In fact, I have said on a number of occasions that India cannot enter the export market in fits and starts. We must have a stable export policy so that our markets are stable and we can export year after year. But, this principle has been qualified in the case of cereals. There is no difficulty for non-Basmati rice. The policy is very clear; we have announced the policy for five years. Non-Basmati rice is exportable and as a result of such a stable policy, you will find that in 1989-90, the export was 26,705 tonnes of non-Basmati rice; in 1990-91, it was 3,13,720 tonnes; and in 1991-92, it was 5,25,000 tonnes.

But, this year, because of lower production and procurement and because of the needs of domestic consumption, when we find that we are only barely marginal we cannot fix the target, unless we are sure that the local requirements are met.

We have said that Basmati rice is freely exportable for five years and there is no difficulty at all. Anybody can export Basmati rice. But, I cannot indicate targets in a commodity where we are only barely marginal. Unless we are self-sufficient and that there are surpluses we can no indicate these targets. But, our policy is to encourage export of agricultural products and I would like to say for the record, that our farmers must grow keeping in mind the fact that we can export. But we are monsoon-dependent. If the monsoon fails or is erratic and if our production goes down, we cannot make our commitments in advance. Then, we will starve the domestic market; we cannot do that.

**SHRI GURCHARAN SINGH DADA-**

**HOOR:** Punjab farmers, despite the disturbed conditions in the State, produce the maximum amount of food grains particularly rice and wheat. The best quality of rice that is Basmati is produced in Punjab. Sir, through you, I would like to know from the hon. Minister as to what incentives are being given to the farmers producing rice for export.

**SHRI P. CHIDAMBARAM:** Sir, incentives to farmers' must be addressed to the ministry of Agriculture and Ministry of Food. I would not be able to answer about incentives given to farmers.

As far as exports are concerned, any quantity indicated as surplus by the Ministry of Agriculture and Ministry of Food is made available for export.

**SHRI HARI KISHORE SINGH:** Sir, farmers earn foreign exchange by exporting rice. Now the Minister says that because of shortage of limited amount of surplus of rice in the country, it is not possible to allow export of non-basmati rice.

Is there any scheme of the Government to compensate the farmers who will incur loss by not exporting rice this year?

**SHRI P. CHIDAMBARAM:** Sir, I do not think the farmer incurs a loss by not exporting rice. As long as there is a domestic demand and there is a good price in the domestic market, I do not think that the farmer incurs a loss. And I do not think it is correct to compare what a farmer would have got had he exported because the rice and wheat are basic foodstuffs. They must be available first in the domestic market. Only surpluses can be exported.

I think, the loss which the hon. Member is talking about is a notional loss.

**DR. B.G. JAWALI:** At the outset, I think, there is a little discrepancy in the answer given by the Minister. In the first part, he has said that the target is yet to be finalised. And in part (c), he says that the policy for export

of rice is considered to be adequate and no further consideration is required. However, whatever foreign exchange is earned in any other industry, wherein the people export, the people who export are benefited by the import of a particular item concerned with the industry. There is a certain percentage of foreign exchange earned.

Similarly, could any foreign exchange earned or a portion of it be passed on to the farmers directly to import any item like agricultural implements or chemicals or fertilisers or item of that kind?

**SHRI P. CHIDAMBARAM:** After the partial convertibility, any item or commodity which is not in the negative list of imports, is freely importable. There are no restrictions at all. One has to simply go to the bank, pay the rupees, get the foreign exchange and import whatever one likes to import as long as that is not in the negative list of imports.

The benefit of LEARMS will naturally go only to the exporter. Now the farmer could export. As I said, a farmers' cooperative could export. States could set up export agencies and procure the foodgrains or other agricultural products for exports. But the benefit of LERMS will naturally go to the actual exporter. For example, if a cooperative exports, the benefit will go to that cooperative. It will be shared by the farmers. A bigger farmer can export directly. The benefit will go to the exporter.

**MR. SPEAKER:** Questions No.923 is transferred from 5.5.1992.

**SHRI RAM NAIK:** In spite of that, how can there be two questions in one person's name?

**MR. SPEAKER:** This is a question for the Commerce Ministry. That is why we have done it.

**SHRI RAM NAIK:** It can come at the end.

**MR. SPEAKER:** This was balloted. This

has come. This was fixed but then it was transferred to the Commerce Ministry. Now Shri Bhupinder Singh Hooda.

### **Import of Drugs**

\*923. **SHRI BHUPINDER SINGH HOODA:** Will the Minister of COMMERCE be pleased to state:

(a) the details of bulk drugs imported by various firms having licence under actual user condition during each of the last three years;

(b) whether the Government have taken steps for post-import checks of such imports;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

**THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHEDAMBARAM)** (a) Firm-Wise/licence-wise statistics of imports are not maintained. In terms of the Export and Import Policy for 1992-97, import of all drugs other than those covered by the Negative list of Imports is freely allowed. Drugs covered by the Negative List are allowed for import against specific licences and subject to conditions laid down.

(b) to (c). Adequate provisions are available in the Imports and Exports (Control) Act, 1947, the Orders issued thereunder and the Export and Import Policy to ensure proper utilisation of material imported against specific licences.

**SHRI BHUPINDER SINGH HOODA:** Sir, this question was raised by me to the Health Ministry as I never wanted the policy but I wanted the statistical date which is being maintained by the Drug Controller of India through its port offices as there are a lot of discrepancies in it. The same medicine which is imported by one firm at the rate of Rs. 12,000 per kilogram is imported at the rate of Rs. 4000 per kilogram by another firm. The price restrictions are made by the