

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:86
ANSWERED ON:24.11.2000
FALL IN PRICES OF AGRICULTURAL PRODUCE
GANTA SRINIVASA RAO;SAMAR CHOUDHURY

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government are aware of the steep fall in the prices of agricultural produce in the country consequent on the immediate removal of quantitative restrictions on imports;
- (b) if so, the facts in this regards;
- (c) whether the Government have noted that steep fall in prices have ruined the economic condition and lives of lakhs of peasants, agricultural workers and the common man;
- (d) if so, whether the Government would review the EXIM policy to take care of the interest of all sections of the peasantry;
- (e) if so, the details of Government's stand on he issue?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (e) of LOK SABHA STARRED QUESTION NO. 86, TO BE ANSWERED ON 24.11.2000, REGARDING FALL IN PRICES OF AGRICULTURAL PRODUCE :

(a) to (e) : In the changes to the Exim Policy, announced on 31.3.2000, no changes were effected in respect of import policy of agricultural products like tea, coffee, rubber, wheat, rice, maize, pulses and edible oils. Import of all major cereals as classified under Chapter 10 of ITC(HS) Classifications of Export and Import Items, 1997-2002 is restricted and canalized through Food Corporation of India. Import of all edible oils excepting coconut oil as classified under Chapter 15 of ITC(HS) Classifications of Export and Import Items, 1997-2002, is presently free. Import of all refined edible oil excluding coconut oil, Palm kernel oil, RBD palm oil and RBD palm stearin was made free prior to 1.4.1996. As can be seen from the import data of edible oil furnished below, India has always been a net importer of edible oils.

Year Vegetable oil (Edible)

Qty. (in tons) Value (in Rs. Crore)

1995-96	1061988	2261.9
1996-97	1415794	2929.1
1997-98	1265753	2764.6
1998-99	2378566	7131.4
1199-2000 (Provisional)	4196000	7983.8
2000-2001 (April-July, Provisional)	1137770	1924.3

To regulate import of edible oils, the Customs duties on these have been revised upwards in order to provide adequate protection to domestic oilseed producers. Government is absolutely determined to ensure through appropriate use of tariff mechanism that imports do not cause any detriment or injury to domestic farmers. Towards that end, Government has increased duties on a number of agricultural items where an increase in imports was noticed or apprehended. For example, the duty on arecanut has been raised from 35% to 100%, on poultry products from 35% to 100%, on wheat from 0% to 50%, on skimmed milk powder from 0% to 60%, on apple from 35% to 50%, on rice from 0% to 80%, on coconut from 15% to 35% and on coconut oil from 35% to 45%. India's tariff bindings at W.T.O. for most of the agricultural items are fairly high and effective rates of customs duties can be suitably raised, in case there is

any evidence of substantial increase in imports.