

14.09 hrs.

Title: Problems being faced by coffee growers in Karnataka due to collapse of price in international market and steps taken by the Government.

SHRI H.D. DEVE GOWDA (KANAKPURA): Sir, I call the attention of the Minister of Commerce and Industry to the following matter of urgent public importance and request that he may make a statement thereon:

"The problems being faced by coffee growers in Karnataka due to collapse of price in the international market and steps taken by the Government in regard thereto. "

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): Mr. Speaker, Sir, in reply to the Calling Attention Motion given by the hon. Member of the House, I seek your permission to make the following statement.

At the outset, I would like to inform the hon. Members of the House that no incident of suicide by coffee growers has been reported.

Urgent attention has been drawn by the hon. Member towards the problems being faced by the coffee growers in Karnataka due to fall in the price of coffee. In this regard, I am giving some background of the coffee price situation and details of steps taken by the Government of India for the benefit of coffee growers in the country.

The Coffee prices in India are largely influenced by the New York Exchange for Arabicas and London Exchange for Robustas. The domestic prices of Indian coffee during the last four-five years both for Arabica and Robusta have been higher than the international prices of the two varieties. This is despite the fact that 80 per cent of the coffee is exported.

In recent times the international coffee prices have fallen due to surplus of production in the producing countries overtaking consumption in different parts of the world. The price fall has affected all the coffee producing countries including India. The Indian coffee growers are not getting the same prices today as they were getting two-three years ago. Even so, the domestic prices of coffee are higher than the international prices.

In the context of the current crisis faced by the coffee growers, the Government of India / Coffee Board have taken a number of steps for the benefit of the coffee sector which include interest relief, financial assistance to Indian coffee exporters for reducing the handling costs, waiving of penal interest to the tune of Rs. 9.84 crore on the developmental loans, rescheduling of crop loans of coffee growers and a package of relief by the commercial banks and NABARD under the direction of the Reserve Bank of India. This package envisages all types of outstanding coffee loans as on 30th June, 2002 and not classified as Non-Performing Assets (NPAs), will be consolidated into a single term loan namely Special Coffee Term Loans (SCTL) 2002. The repayment schedule of the SCTL will range between seven to nine years including an initial repayment holiday (moratorium) of two years, subject to review thereafter. During the moratorium period, the banks will charge one per cent less interest on SCTL.

The Government of India have also undertaken several steps to increase domestic consumption of coffee. In this direction, the Government of India / Coffee Board has taken initiative to encourage procurement and marketing of coffee by Indian Coffee Marketing Cooperative Limited (COMARK) in collaboration with cooperative societies, namely National Dairy Development Board (NDDB) and Gujarat Cooperative Milk Marketing Federation (GCMMF) (Amul) etc.

14.13 hrs. (Shrimati Margaret Alva *in the Chair*)

During the Tenth Plan period, the Coffee Board would be implementing a number of plan schemes supported by suitable financial incentives for development of coffee sector, to improve productivity and quality of Indian coffee to achieve competitiveness in the global markets. The Coffee Board has been allocated a sum of Rs. 300 crore during the Tenth Plan period, as against Rs. 124 crore during the Ninth Plan for implementing coffee developmental schemes.

Sir, the Government of India is fully seized of the problems being faced by coffee growers and is taking all suitable ameliorative measures to protect the interests of the Indian coffee growers. I am hopeful that the steps taken by the Government of India would bring about a positive impact on the plight of the growers and improve the situation in the coming days.

SHRI H.D. DEVE GOWDA : Madam Chairperson, I would like to ask certain clarifications from the hon. Minister of State for Commerce and Industry. You have stated in para 2 on page 2 as follows:

"procurement and marketing of coffee by Indian Coffee Marketing Cooperative Limited (COMARK) in collaboration with cooperative societies, namely National Dairy Development Board (NDDB) and Gujarat Cooperative Milk Marketing Federation (GCMMF) (Amul) etc. "

May I know what is the rate fixed for the procurement of the coffee seeds from the growers? I would request you to kindly make a note of the points as I do not want to repeat again.

What is the procurement price fixed to purchase the coffee seeds from the growers? I want to know whether the co-operative societies have agreed to extend their co-operation to COMARK for procurement, whether the National Dairy Development Board has also agreed to co-operate in this connection to improve the situation in procurement and marketing and, similarly, whether the other organisation, Gujarat Co-operative Milk Marketing Federation has also agreed to co-operate. That is what he has said in his statement. Have all these organisations prepared to co-operate with COMARK? At what rate is procurement going to be made? Has he called the representatives of all these four organisations and discussed at his level?

Secondly, they have taken certain steps and asked the Coffee Board, with the co-operation of institutional finances, to give certain relief measures. I would like to know whether the relief measures proposed by the Government of India, that is, the Ministry of Commerce have been implemented according to the advice given by the Ministry of Commerce. Madam, I would like to just bring this to the notice of the hon. Minister, with your kind permission. A new package, what they call Special Coffee Term Loans (SCTL) 2002, is offered. Seventy five per cent of the previous loan should be deposited and then, they can avail of this benefit. Are the farmers in a position to pay 75 per cent of the loan to avail of the benefit of this so-called Special Coffee Term Loan? Are they capable enough to pay? The whole matter is that there is total collapse of the coffee industry because the international market is such. I would like to quote. In 1997, the price of 50 kilograms of Arabicas was Rs. 5,375. Today, its price is Rs. 1,870. The price of Robustas in 1997 was Rs. 1,309. Today, the price is Rs. 476. See the plight of the growers.

He has said that they have taken certain measures which are going to help them. An allocation to Coffee Board has been increased to Rs. 300 crore in the Tenth Plan from Rs. 124 crore in Ninth Plan. It is only for certain measures to improve the quality and to improve the production. I do not want to repeat all those details, but I would like to know whether these steps, which they have proposed, are going to bail out the coffee growers at the present juncture. That is the issue now.

I do not want to take up almost all the issues which he has mentioned in his statement. The hon. Minister has said that no incident of suicide has been reported, but I must say, because I know full well the present situation of the coffee growers, that 130 people have committed suicide in Karnataka. An Expert Committee was constituted and the Expert Committee has also given its Report to the Government of Karnataka. I do not know who has given this report that nobody has died. If the hon. Minister wants to have the names of those families who have suffered and who have died, I can give those names. At the outset, he has said that nobody has committed suicide. One hundred and thirty people have died including the people who were well engaged in the plantation crops and other crops.

Brazil has provided a 12-year reprieve for debt repayments and lower interest rate to farmers on all debt repayments. The quantum of relief they have given is 600 million dollars. In Vietnam, the Central Bank has ordered credit institutions to halt collection of loans and also not to levy interest on coffee growers for the next three years.

In Colombia, the Government has approved a debt relief package approximating about 270 billion pesos to restructure the coffee growers' loans. In Mexico, a bail out plan worth US \$ 209 million and a Minimum Support Price Scheme have been introduced. What is it that you have done? Have you made any attempt to fix the Minimum Support Price? You have not fixed the procurement price. At what rate, is COMARK going to purchase. The market has totally collapsed. At what price, they have to procure and wherefrom will they get the money or who is going to finance them? Will you kindly enlighten us on all these things?

You said that the Coffee Board has given a relief package by way of waiving the penal interest to the tune of nine crore rupees. This waiving of penal interest does not pertain to either the previous year or the last two years, when the prices have fallen. It does not pertain to this period. This waiving of penal interest pertains to the developmental loans taken by various small holders, which have been pending for the last twenty years. It is in that connection that the penal interest has been waived. This waiver is not for the current period, when the international prices have collapsed. This penal interest to the tune of nine crore rupees has been pending for the last twenty years; these arrears are due from various defaulters. This has not at all helped the farmers.

In Karnataka, what is the loan which a farmer has taken? He has taken a loan of Rs. 18,000. In Kerala, in respect of

small farmers, the loan component is about Rs. 8,000 and Rs. 12,000. In Karnataka, the farmer has taken a loan of Rs. 22,000 for Arabica, and Rs. 18,000 for Robusta. This loan component was fixed by the Technical Committee where the Coffee Board is also a party. It has not been done on an *ad hoc* basis by the banks or the financial institutions. Based on the recommendations of the Technical Committee where the Coffee Board is also a party, they have decided to provide financial assistance up to Rs. 22,000 for Arabica and Rs. 18,000 for Robusta. The package that the Government proposed through the Coffee Board is not at all going to bail out these growers. Seventy per cent to eighty per cent of the growers are small holders and Scheduled Caste people having one hectare, two hectares, three hectares, four hectares or five hectares of land. Their condition is very precarious. Will you kindly enlighten us on these points that I have raised?

The other thing is that you have to waive the entire interest component. It will not be a heavy burden on the Government. To bail out UTI, you have given Rs. 500 crore yesterday. Your goodself, Madam Chairman, has mentioned this yesterday while participating in the debate on Supplementary Demands for Grants. You have provided Rs. 500 crore to bail out UTI. To revive a bank, you have given Rs. 1,500 crore, and to another bank, you have given Rs. 1,300 crore. So far as these poor farmers are concerned, where 80 per cent are small holders, the Government has only waived the penal interest to the tune of nine crore rupees on the developmental loans pending for the last twenty years. It is a peanut. I think, irrespective of party affiliations, Members of the House should form a Farmers' Forum and try to fight it out. The farmers are not beggars. The House should collectively fight out this battle.

SHRI RAGHUNATH JHA (GOPALGANJ): Yes, we are ready.

SHRI H.D. DEVE GOWDA : It does not matter, whether you are a Congress Member or a BJP Member. The whole House should take up this issue.

Will you kindly enlighten the House on the issues that I have raised? The first point is to waive the entire interest component. The second point is about the procurement price that you are going to fix for COMARK, particularly with the cooperation of the organisations that you have mentioned in your Statement. Thirdly, how much money are you going to provide to COMARK?

The Karnataka Government has asked for a soft loan. Some of my friends here should not mistake me when I say that the financial condition of the State of Karnataka is just like any other State Government. All States are running on borrowed money. The Finance Minister knows this, and no State is an exception to this. Almost all the States today are living on borrowed money. The same condition is also there in Karnataka. The Karnataka Government cannot pay Rs. 250 crore or Rs. 300 crore to procure these coffee seeds.

Can you not give a soft loan of about Rs. 300 crore to Karnataka or to COMARK? I am not pleading for any one State. You have given the Minimum Support Price in four or five States to procure wheat and paddy. I am not going to grudge it. I have myself given the bonanza to Punjab, when I was in the office. There is no question of any discrimination from my side. When you are spending so much of money for procurement of wheat and paddy, whether it is from Western Uttar Pradesh, Haryana, Punjab or Andhra Pradesh, how much money have you given for procurement of such grains from Karnataka? When I say so, nobody should mistake me that Deve Gowda is discriminating one State against another.

The other day, I raised the issue of sericulture growers, but no decision has been taken till today. The Chief Minister along with all other party leaders met the Prime Minister and other Ministers. What is it that you people have done? What exactly the Government wants to do on some of the issues that I have raised? Please let me know about this. I want a categorical answer from the hon. Minister of State.

...(Interruptions)

MADAM CHAIRMAN : Please give me a minute.

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): I want to seek a clarification regarding coffee growers of

Kerala. There are thousands and thousands of coffee growers in Kerala.

MADAM CHAIRMAN : I am just saying something, please give me a minute. There is only one name listed, but the hon. Speaker has permitted two or three Members to raise questions, as a special case. But I do want to say that you will only raise questions and you will not make any speeches. That is all.

SHRI VARKALA RADHAKRISHNAN : I fully agree with the sentiments expressed by him. Under the said circumstances, the coffee growers in India are facing a crisis. This is not the first time that this matter was raised. This matter was raised even before, and the problems of the growers were brought to the notice of the Government several times. Not only that, when the Amendment to the Coffee Act was discussed, these issues were specifically pointed out to the Minister concerned, who was piloting the Bill. I have raised all these issues, but so far, no remedy came from the Government side. There is no Minimum Support Price for coffee growers. Before that, before Independence, coffee growers were under the mercy of the Government or its projects. After Independence, you have amended the law and given the freedom for the coffee growers to sell at whatever price is available to them. That was a good thing to do.

MADAM CHAIRMAN : Please ask your question.

SHRI VARKALA RADHAKRISHNAN : So far, there is none to look after them. You have not even fixed up the Minimum Support Price for the coffee growers, who are producing a very sweet drink. All of us drink coffee. Are we not human beings? Do you not have any feelings in your minds that poor farmers in the mountain areas are cultivating it? You go and drink coffee, but you do not feel anything of these people for a moment. Everybody will run up to the coffee counter to drink coffee, but no one feels that this is the product of poor coffee growers in the mountain areas. You do not care for them. They are starving for months, but nothing has been done for them. Are we not human beings? You must, at least, realise that these people are put to great difficulties. Therefore, why do you not introduce Minimum Support Price for these coffee growers? Is it possible? The Coffee Board cannot do anything; they are helpless. So, I would request you to bring in some measures by which they shall have the Minimum Support Price so that the coffee growers may grow coffee without starving themselves. Please answer this question.

MADAM CHAIRMAN : I think, we should also raise the price of coffee which is being sold here.

SHRI C.K. JAFFER SHARIEF (BANGALORE NORTH): Madam, Chairman, thank you very much for giving me this opportunity. I would not like to dwell on the points already made by Shri Deve Gowda. I would like to know from this Government as to why they are so blind to the cause of certain States particularly in sectors where the farming community is being affected. Shri Deve Gowda has already mentioned it and the Government of India is also aware about the condition of sericulture. They are aware as to how the silk industry is suffering and how the farmers, who are associated with the silk industry, are suffering.

Madam, Chairman, today we are discussing the plight of the coffee industry. Government is earning foreign exchange by way of export of coffee. It is an exportable commodity. But the Government is only allowing the middlemen to make money without coming to the rescue of the coffee growers and labourers. It has been rightly pointed out by Shri Deve Gowda that when the Government run institutions commit mistakes and runs into losses, the Government pumps in thousands of crores of rupees to restore the health of those industries. Why could the Government not do the same thing in regard to the farming community? The farmers are helping this country to earn foreign exchange.

Madam, Chairman, I would like to know, is this a Government for the traders or the growers? I would like to have a categorical answer to this question from the hon. Minister. Are you helping the traders or the growers? This is the whole problem with this Government. This Government is completely blind to the cause of the farmers and they are playing into the hands of the traders.

Madam, Chairman, I would like to know whether the Government would appreciate the problems being faced by the farmers and also take steps to waive off the interest component and also give a moratorium to interest for the farmers

till such time the market conditions improve and the coffee growing industry becomes viable. I would like to know whether the Government has the political will to help the farming community, whether it is Sericulture, or coffee or any other commodity in any part of the country.

SHRI K.H. MUNIYAPPA (KOLAR): Madam, Chairman, I have given a notice.

MADAM CHAIRMAN : As a special case you are being allowed to ask a question.

SHRI K.H. MUNIYAPPA : Madam, Chairman, thank you very much for giving me this opportunity. I would like to

inform this House that last week, the hon. Chief Minister of Karnataka along with the leaders of various political parties and also with Union Ministers Shri Ananth Kumar and Shri Basangouda R Patil led a delegation and apprised the Minister about three important issues, namely, Coffee, Sericulture and Arecanut. These three are commercial crops. These three crops account for 75 per cent of our exports. This subject comes under the Ministry of Textiles and the Ministry of Commerce. Both these Ministries together would have to solve this problem.

Madam, Chairman, I would not like to go into the problems being faced by the farmers engaged in sericulture. We have explained it in details only in the last week. I would like to make a few points on price stabilisation. About two lakh growers are suffering today. Ninety eight per cent of the growers are small and marginal farmers and most of them belong to the Scheduled Castes community and the backward communities. Every year they produce about three lakh metric tonnes of coffee. Eighty per cent of what they produce is exported. They are engaged in production of coffee for the last 35 years. Coffee is produced even in Kerala.

The exports made in the last 100 years ...*(Interruptions)*

MADAM CHAIRMAN : Shri Muniyappa, please ask your question. Do not make a speech. This is a Calling Attention.

SHRI K.H. MUNIYAPPA : Please allow me two minutes, Madam. I will explain the problem.

MADAM CHAIRMAN: This is not a speech. In that case, I am sorry I will have to call the Minister for reply. Please ask your question. The facts have all been placed before the House. You please ask the question.

SHRI K.H. MUNIYAPPA : The hon. Minister is young and energetic. He has to come to the rescue of coffee growers.

MADAM CHAIRMAN: He is a coffee drinking Minister, I presume!

SHRI K.H. MUNIYAPPA : They have paid Rs.640 crore in the form of duty to Government of India, and paid Rs.178 crore as Excise Duty. The Excise Duty, Customs Duty, State Duty, all put together, they have paid Rs.997 crore to the State Government and the Central Government. I request the hon. Minister for two- three important things to solve the problem of the coffee growers. The two-year moratorium should be increased to five years and the rescheduling of loans done for a period of seven years should be extended to ten years on all loans – term loans, purchase loans, loans given under the Special Coffee Term Loan Scheme.

We have earlier said that moratorium should be allowed for two years. That is not sufficient. It should be allowed for five years without stipulation of repayment of 75 per cent, as Shri Deve Gowda suggested. The interest outstanding on the loans should be waived and the Government should come forward to solve the problem.

MADAM CHAIRMAN: You are making a speech, you are not asking questions.

SHRI K.H. MUNIYAPPA : I am asking questions, Madam.

Hon. Chief Minister of Karnataka led a delegation and gave a representation to the hon. Minister. The Minister has given some relief but that is not sufficient. May I know from the hon. Minister whether, to solve the problem, he will increase the moratorium period to five years; reschedule the loans to ten years; and provide an amount not less than Rs.200 crore for price stabilisation, in order to save coffee industry and farmers of Karnataka and Kerala?

SHRI M. MASTER MATHAN (NILGIRIS): Thank you, Madam Chairman. Hon. Deve Gowda has said that the coffee-growers are reeling in debt and they should be given proper facilities to pay their debts. Similarly, I am also facing the same problem in regard to tea-growers.

MADAM CHAIRMAN: Please do not go into tea now because this is a Calling Attention on coffee. I cannot allow this to become a roving discussion. You bring another Calling Attention motion on that.

SHRI M. MASTER MATHAN : It is a burning problem concerning the tea farmers.

MADAM CHAIRMAN: If I allow this, it will become a discussion on something else. Okay, Mr. Minister, you look into the problem of tea farmers also.

SHRI M. MASTER MATHAN : Madam, it is a burning problem.

MADAM CHAIRMAN: Yes, I know. But we cannot have a roving discussion. If I do it, then we will have areca nut, coconut and the something else.

SHRI M. MASTER MATHAN : All these matters are related, Madam.

SHRI KODIKUNNIL SURESH (ADOOR): Tea and coffee are together, Madam.

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): Madam, Chairman, I have taken note of all the points made by the former Prime Minister, hon. Deve Gowda, Shri Jaffer Sharief, Shri Radhakrishnan, and Shri Muniyappa. I can understand the sentiments involved in this question.

I would like to go into the background of this. Shri Deve Gowda could feel the pain of these farmers, and certainly I am aware that the situation is not as good as it should have been. Madam, with your permission, if we go into the background of coffee, I have specific details which can indicate that till the year 1992, I would repeat till the year 1992, the international prices of coffee were higher than the domestic prices. Since 1992, for sometime the international coffee prices and domestic prices were almost the same.

Then, there was a turn around, and the international prices of coffee went down while the domestic prices of coffee went up. And, that had happened during the period when the hon. Member Shri H.D. Deve Gowda was the Prime Minister.

You may ask this question: "At that point of time when the international prices were higher, how did the farmers get more remunerative price?" I would like to mention -- if you recall the figures -- that in the year 1996, 1997 and 1998, the coffee had the highest price in the international market as well as in the domestic market. In the year 1998, the price of Arabicas was Rs. 107 a kilo while the price of Robustas was Rs.64 a kilo. The domestic price then was Rs. 130 a kilo for Arabicas and Rs. 83 a kilo for Rubustas.

Today, if we have to state for these months, Madam Chairperson, in January, 2002, it had just come half. The international price is just Rs. 54 a kilo for Arabicas and Rs. 25 a kilo for Robustas. For the domestic price, which is still higher, it is yet half what it was getting in 1996-97. It is Rs. 64 a kilo for Arabicas and Rs. 37 a kilo for Robustas.

Now, the basic question here is that we have to accept that in the international market, there is a surge, maybe for whatever reasons. If you permit me, I would like to quote the reasons which are obvious. There is a surge in the international market. The production has gone up. The consumption, which in the year 1992 was 100 per cent, has come down. This could be possibly because the domestic demand in various countries has come down. It could be possibly also because there has been a recession and the consumer demand has come down. I do not have the figures to indicate but there is an increase in demand for several beverages and aerated drinks.

Now, all these factors have combined to see that there is a reduction in demand in the world market along with newer countries coming into the world market with over-production.

Now, as far as the Government of India is concerned, this is the background in which the prices have fluctuated, and there is no procurement price fixed for that. I will talk on that subject later. But before that, I would like to state here as to what steps were taken. I have given to understand that these steps are not being treated as measures. But I think, they are showing results. The Coffee Board in itself has given interest relief in scheme in the year 2000-01 with an outlay of Rs. 4.5 crore and five per cent interest relief has been given to the small growers on the working capital and the crop loan. At the same time, for the exporter, high costly relief to 50 paise per kilo has been given to sustain the export, which has mounted to around Rs. 3 crore.

Madam, Chairperson, the Government of India has waived the penal interest to the tune of Rs. 9.84 crore on Development Loans given by the Coffee Board. The Board is not charging compound interest on Development Loans now. Most important is that the Government of India has raised the tariff from 75 per cent to 100 per cent in coffee. Notwithstanding that, the coffee has been placed on the Sensitive List and we are using all tariff and non-tariff barriers which may be there to protect our own domestic market.

As far as loans and restructuring of banks and financial institutions in Government are concerned, last year the commercial banks had re-scheduled the crop loans and given fresh loans as well. I would like to mention here -- because it relates mostly from Members of Parliament from Karnataka -- that Rs. 200 crore were re-scheduled in the State of Karnataka alone. I would repeat that Rs. 200 crore of bank loans were re-scheduled in the State of Karnataka alone. Thereafter, the Government of India, under the new RBI norms, announced a new relief measure that all types of loans -- short, medium, large, and restructured loans which are not NPAs -- would be given Special Coffee Term Loan.

I would like to state here what the Special Coffee Term Loan is. In this, the term loan would be repayable in the period of seven to nine years. We are aware that there is a demand to make it 15 years but it is not possible now. During the moratorium period, banks will charge less than all the Scheduled Bank rates. If the farmers, who have availed the loan, are able to pay back 75 per cent, the rest 25 per cent would be permitted to be re-scheduled, and they would be allowed to use the loan facility again. Apart from taking various measures, the general steps which the Government of India has taken are: to try to make it more competitive, quality improvement, water augmentation, more agricultural research, extension and arrangement of credit and finance, back up support like seeds and

support to productivity. We are also going in for training the farmers and for giving them enough support to see that our coffee growers are able to bring out internationally marketable coffee which is required in USA.

I can understand the position when our hon. Former Prime Minister Shri Deve Gowda has mentioned that other countries had been extending more support. We can say that we are in a better position in giving the facilities and support, which are given by any other country.

As far as the minimum support price is concerned, we have to go into the background of this. Where does the Government come in for minimum support price? This is a perennial product. When we talk of minimum support price for other cereals, it is when we talk about the food security of any country. If we do not provide minimum support price to regular crops, then there is a possibility, in that situation, that the farmers may shift to other varieties of crops and there can be a possibility of food shortage in the country. That is why, minimum support price is given to certain crops which are cereals and other major grains. The Government cannot provide MSP for perennial crops like rubber because it is not possible for any Government to provide MSP for crops like this. So, there is no fixed price for them and there are situations when the procurement is made, at times, the procurement price is very high. So, there is no point in fixing the MSP.

There are other issues which have been brought in here.

SHRI K.H. MUNIYAPPA : What about the interest rates?

SHRI RAJIV PRATAP RUDY: I have mentioned about the waiving of interest.

SHRI K.H. MUNIYAPPA : The compound interest is not more. Basically, the normal interest rate is more. That is what we are requesting you to do.

SHRI RAJIV PRATAP RUDY: This is what I have mentioned. I think, you failed to follow.

A delegation from Karnataka met the hon. Prime Minister. One of the few demands that have been put was moratorium or rescheduling of re-payment to 10-15 years. It is not possible at the moment. We have just introduced this scheme. We will see what are the results, and that can be reviewed later.

SHRI PRIYA RANJAN DASMUNSI : I just want to inform the Minister. I faced a similar situation when I handled this during 1985-87. I found that the Brazil and Colombia formed a common cartel to give support to their young gardens which were far superior to our Indian garden. Thereafter, we re-planned the whole thing (a) to do quality campaign of the Indian coffee in the international market, (b) to have a new market access to break the cartel of Brazil and Colombia and (c) to provide additional support to our young garden to improve productivity.

If the situation has changed now, I have no comments to make. But if the situation went back to that stage, I would like to ask whether you would take up that initiative.

MADAM CHAIRMAN : Vietnam has also entered the market in a big way.

SHRI RAJIV PRATAP RUDY: I would just like to say about these countries.

SHRI H.D. DEVE GOWDA : If the hon. Minister would yield, I would like to say this. In his statement, at para (2) in page 2, he mentioned categorically that the Government of India have also undertaken several steps to increase domestic consumption of coffee. We do not know what steps it has taken to increase the domestic consumption. He further said that in this direction, the Government of India, Coffee Board has taken initiative to encourage procurement.

How is it taken? What is the rate? He has come out with that issue of 'procurement', through COMARK. He must tell us at what rate they are going to procure. If the minimum support price is going to be given only for the traditional crops, then coffee is going to be spoiled in two days. The Government gives nearly Rs.4,500 crore worth subsidy to exporters of rice and wheat, but not for growers.

I do not want to take much time of the House. Farmers' issue can be discussed separately, if all of us are interested in bailing out the farmers. But we have to see what is the procurement price that you are going to give to COMARK today, with the assistance of other organisations.

MADAM CHAIRMAN: Mr. Minister, you said that you are going to procure. He wants to know the price at which you are going to procure.

...(Interruptions)

MADAM CHAIRMAN: Just a minute, Mr. Radhakrishnan. You may please sit down. You are confusing the Minister even more. Please let him complete.

SHRI H.D. DEVE GOWDA : I will conclude in 2-3 minutes. A direction was given by the Commerce Ministry and the Reserve Bank of India, and you have made certain attempts, I must say. Shri Maran is not here; but he has made some sincere attempts.

I am not going to make any comment but even your efforts have not yielded results. The cooperative societies are not prepared to oblige and waive the loans. If the loans of coffee-growers are waived then there are other crops also for which they are demanding loan waiver. This is the position of the State Governments. That is why you must take the entire responsibility and take a decision to abolish or waive the entire loan. It is not a question of penal interest. I do not want to repeat it here but they are such chronic loans, which are there for the last 20 years. It comes to about Rs.9 crore for the whole of the coffee growers of Kerala, Karnataka, Tamil Nadu. There is no profit for the coffee growers. The produce is going to help the traders and not the growers. To prove this, I would like to quote from January 2002 issue which says: " 44 paise for the retailer, five paise for grower, 30 paise for export, 17 paise for shipping and 79 paise for roasting and processing." So, the grower will get only five per cent.

The report claims that the high street coffee shops are making record profit while the third-world coffee producers are living in extreme poverty. This is not my Report. It is January 2002 Report. I am not merely asking for the waiver and re-scheduling of penal interest. You have referred to rescheduling of Rs.200 crore but it is done only by a few banks and not all the banks. You have to examine it case-by-case. The Chairman Coffee Board wants to review it case-by-case. They are not wholly going to accept the recommendations made by the Ministry of Commerce. Cooperative societies are not ready. I would list out some of the points which the Minister can note down. You may not be able to answer them right now. You may call the Coffee Board Chairman, the Deputy-Governor of Reserve Bank and some of the other top executives of financial institutions and take a decision on the basis of certain issues which I am going to raise.

MADAM CHAIRMAN : You can send them to the Minister in writing. Please do not raise them here.

SHRI H.D. DEVE GOWDA : This is the only platform where I can raise them. I do not want to take the trouble of going to any Minister.â€ (Interruptions)

MADAM CHAIRMAN: You can write to him giving all the points.

SHRI H.D. DEVE GOWDA : I am prepared to send a note. Just to save the valuable time of the House, I have no objection in it. But cooperative societies are not ready. Full interest and not the penal interest has to be waived. The condition, that further loan will be advanced only if they repay 75 per cent of the loan, should be removed. The loan which they get is only meant for coffee production and not for other infrastructural reforms. These are some of the major issues which are going to kill the coffee growers. I am going to send the list of their demands. The Government should give a categorical assurance to call the Deputy-Governor of Reserve Bank and the top executives of other financial institutions to discuss the matter with them. I do not want to make any allegation against anybody. About 80 per cent of the farmers are small farmers out of which 35 per cent belongs to the Scheduled Castes. Madam, you must be knowing it since you come from that area. I do not want to take undue advantage in raising the matter just because you are in the Chair. My only request is to please save the farmers.

I demand constitution of a National Commission on Agriculture. I think there is no National Commission. I remember, Shri Sivaram was heading the National Commission earlier. So, the National Commission on Agriculture should be constituted and all the matters pertaining not only to coffee but also coconut, sericulture and so on should be reviewed in light of the adverse impacts of WTO. Otherwise, they are going to kill the farmers. Nobody can save the farmers of this country. My blood boils to see all these things.

Please tell the Prime Minister to constitute a National Commission for Agriculture and review the whole thing in the light of WTO's adverse impact.

MADAM CHAIRMAN : Mr. Minister, would you like to respond?

SHRI RAJIV PRATAP RUDY: Madam, I have been educated further because I am not from a coffee growing area. So, what he has talked is an education for me.

MADAM CHAIRMAN: But the question which he raised is about the price at which the procurements will take place.

SHRI RAJIV PRATAP RUDY: Madam, I would again say that the price is not fixed. He has talked about COMARK which procures at market price. So, this is an established mechanism and there is no intention to change it at the moment.

SHRI H.D. DEVE GOWDA : I have asked you to give a soft loan to COMARK. You want to give Rs.500 crore for bailing out UTI. So, can you not give it Rs.200 crore soft loan?

SHRI RAJIV PRATAP RUDY: Sir, I assure you that we will look into your suggestion.

SHRI H.D. DEVE GOWDA : A great and mighty Government cannot give a soft loan of Rs.200 crore to the farmers.

SHRI RAJIV PRATAP RUDY: Sir, we will definitely look into your suggestion.

SHRI H.D. DEVE GOWDA : As the hon. Minister has assured me, I thank him very much. If he can keep up his promise, I thank him very much.

MADAM CHAIRMAN: You call a meeting and have a detailed discussion.

SHRI RAJIV PRATAP RUDY: Yes. That is correct.

MADAM CHAIRMAN: Now, the House will take up Matters under Rule 377.
