

Cane Crushing Project

4055. SHRI PRADEEP KUMAR YADAV : Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state :

(a) the number of cane crushing projects sanctioned by the Government during each of the last two years and till March, 1998;

(b) whether the Industrial Development Bank of India, Industrial Finance Corporation and Industrial Credit and Investment Corporation of India have declared the industry as unviable and decided not to give any loan to it;

(c) if so, the number of units have been closed down due to this policy; and

(d) the steps taken or being taken by the Government to make these units viable?

THE MINISTER OF STATE IN THE MINISTRY OF FOOD AND CONSUMER AFFAIRS (SHRI SATYA PAL SINGH YADAV) : (a) 159 letters of intent have been issued by the Ministry of Industry for setting up of new sugar mills in the country during the years 1996, 1997 & 1998 (upto March).

(b) to (d) As per information received from the Financial Institutions viz. Industrial Development Bank of India, Industrial Finance Corporation and Industrial Credit and Investment Corporation of India, they have not declared the sugarcane industry as enviable nor have they decided not to give any loans to it. However the Government is of the view that the existing Sugar Industry in the country is not perceived to be a particularly healthy one from the financial point of view. In view of the low rate of return in this sector, new production capacity is not being created at the required pace. Generally, the public financial institutions are also not favourably considering proposals for financing of new sugar capacity. The major reasons for the poor financial performance of the sugar industry are as under:-

- (i) Sugar is subject to statutory levy as also distribution control. For the quantity of sugar acquired by Government against levy, the return to the sugar mills is substantially lower than what would be obtained at open market prices. The distribution control also reduces the opportunity of the sugar mills to adopt an independent marketing strategy.
- (ii) Historically, the sugar industry is subject to violent cyclic variations. These variations are principally caused by the increase or decrease of sugarcane availability, linked to the motivation of the farmer to cultivate sugarcane *vis-a-vis* other competing crops.

(iii) In years of high sugar production, sugar mills have to bear the carrying cost of high sugar stocks.

Production of Foodgrains

4056. SHRIMATI SURYAKANTA PATIL : Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state :

(a) whether according to a report on fertilizer Industry the production of foodgrains has been continuously decreasing due to imbalanced production of fertilizers;

(b) if so, whether the Government have not taken the fertilizer Industry seriously for the last one decade;

(c) whether the country had to completely depend on the imported fertilizers and farmers has to pay high prices for imported fertilizers; and

(d) if so, the measures propose to be adopted by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. A.K. PATEL) : (a) and (b) The production of foodgrains is dependent on a number of factors, one of them being consumption of fertilizers. There has been a consistent increase in the production of foodgrains from 1991-92 to 1996-97 except in 1995-96. When a decline was registered due to delayed onset of monsoon in Kharif 1995 and unfavourable weather conditions at the grain filling stage during Rabi 1995-96. The production of major commercial crops reached a record level in the year 1995-96.

(c) and (d) During 1997-98, the indigenous production of fertilizers accounted for nearly 86.6% of the estimated consumption of nitrogen and phosphate nutrients taken together. The farmgate price of urea, whether imported or indigenous, is controlled. The current price of Rs. 3660 per tonne is amongst the lowest in the region. A concession is also being extended on the sale of decontrolled phosphatic and potassic fertilizers in order to encourage their consumption and promote the balanced use of plant nutrients. To enable the domestic industry to reduce the cost of production and remain competitive *vis-a-vis* the imported product, a differential of Rs. 1500 per metric tonne has been maintained between the levels of concession on indigenous and imported Di-ammonium Phosphate.

[English]

Sugarcane Research Centre

4057. SHRI BIKRAM KESHARI DEO : Will the Minister of FOOD AND CONSUMER AFFAIRS be pleased to state :

(a) the details of sugarcane Research Centres in Orissa, location-wise;