

SHRI V. SOBHANADREESWARA RAO : The minimum support price can be increased and that is the request of the farmers. Still it is Rs. 200/-.

S. BUTA SINGH : Every year, the Prices Commission goes into the revision of the prices, whether upward or downward, taking into account the various factors which I have mentioned in my reply to the first question; and we will wait for the Prices Commission for the tobacco for the next crop, and then we will be able to inform the House how best we can increase the support price for tobacco.

The hon. lady member has mentioned about four crops. I have tried to give as much information as I have in my possession. I will welcome the hon. lady member to suggest more about jute because the State from which she comes is the major jute growing State, and we are looking for better quality, for better seeds to improve quality and also the productivity of jute in our country.

MR. DEPUTY SPEAKER : The House stands adjourned for lunch to meet at 2 P.M.

13.05 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the clock.

The Lok Sabha re-assembled after Lunch at seven minutes past Fourteen of the Clock

[**MR. DEPUTY SPEAKER** *in the Chair*].

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE—Contd.

Recent fall in prices of agricultural produce and steps taken by Government to ensure remunerative prices to agriculturists

[*Translation*]

***SHRI AJIT KUMAR SAHA** (Vishnupur) : Mr Deputy Speaker, Sir, we

*The speech was originally delivered in Bengali.

all know that agriculture is the cornerstone of our economy. But the farmers who build this economy are the most deprived and exploited class. When they take their produce to the market, they do not get the proper and remunerative price for that. On the other hand when they go to the market to purchase the commodities of their daily need, they have to purchase them at a high price. This way the poor farmers are being exploited both ways and their condition is very miserable. Here in his statement the hon. Minister has said that the Government is alive to the needs of the farmers and will spare no efforts to see that they receive remunerative price for their produce. Some time back our hon. Prime Minister Shri Rajiv Gandhi said in Bombay, I am quoting from the 'Statesman' dated 18th February 1985, "The Prime Minister, Mr Rajiv Gandhi, today assured farmers that the Congress (I) would fix remunerative for their produce and ensure availability of cheaper fertilizers and seeds." Sir, these sort of assurances have been given again and again. In spite of that what is the condition of farmers today? After this statement of the Prime Minister, when the price of potato started falling and it touched as low as Rs. 15 a quintal, we demanded during the last budget session of Parliament that Government should start procurement of potato crop and make arrangement for its export. But the Government did not come forward to save the poor potato growers. On the other hand the Central Government is giving hundreds of crores of rupees as subsidy to the multimillionaire owners of sugar mills, jute mills etc. and helping them to export their products. But they did not grant any subsidy to save the potato growers.

In reply to a question a few days back in this House, the Minister for Fertilizers and Chemicals, Shri Virendra Patil justified and supported the grounds advanced by the tyre manufacturers for increasing the prices of tyres and tubes viz. the rise in the price of inputs etc. But Sir, the cost of the inputs of the farmers like, seeds, diesel, fertilizers,

pesticides etc. has also gone up manifold. But the price of the produce of the farmers has not increased proportionately. He is not getting remunerative price for his produce. The hon. Minister and the Government is silent on this issue. We know the character of this Government. They always work in the interest of the rich industrialists and big and rich farmers.

Sir, the hon. Minister has stated in this statement, "The price of the raw jute for W5 grade in Calcutta reached Rs. 975 per quintal in January, 1965. Clearly, this high price is untenable, and continuation of this high price will not be in the interest of the farmer." But I fail to understand this statement of the hon. Minister. If the farmers get a higher price for his produce, how can it be 'not' in the interest of the farmers? I shall be obliged if the hon. Minister explains what he means thereby. We know that it is very happy thing if the poor farmers get a better price for their produce.

Now, Sir, I am coming to jute. Last year the jute crop was poor and jute was not easily available in the market. On this pretext, many jute-mills in West Bengal declared lock outs saying that raw jute was not available. But, as pointed out by Smt. Geeta Mukherjee a short while ago the Birla Jute mills earned a profit of some crores of rupees even after buying raw jute at a high price in the market.

Now, the jute mill owners are raising another bogey that the Central Government has granted licences for manufacture of synthetic bags in place of jute bags in view of shortage of jute. Some are also being imported. On this pretext also they are trying to declare lock outs in several jute mills. This year the jute crop has been very good. Some quantity is also smuggled in from Bangladesh etc. In view of this, to protect the interest of our farmers and jute growers, I demand that our farmers should be given a remunerative price for their jute. The J.C.I. should send its agents to all jute growing areas, in

every village etc. to prevent any exploitation. The Govt. should fix the price of jute at the time of sowing itself. The farmers should know before hand at what price per quintal the Government will purchase their jute. The JCI should purchase at least 50% of the jute produced by the farmers and they should create a buffer stock with that. So that the mill owners may not close down their mills and declare lockout on the pretext of non-availability of jute, as is being done at present. We want to know what steps the Government propose to take in this regard.

In the statement of hon. Minister has tried to project that the wholesale price index has gone up very high. But what is the period of this increase? It is after April to July at all places. The price index has gone up after 4 months. Has these higher prices gone to the farmers? The farmers sold their produce immediately. Many of them had to resort to distress sale. They raised the crop at a high cost and hard labour. But they get a much lower price. But the hon. Minister says that the wholesale price index is very high. Who reaping the benefit? The farmers are not the only sufferers. All ordinary man, low category employees etc. whoever has to go to the market, face the difficulties. All consumer goods of daily need are in the hands of the wholesalers and middlemen. In today's 'Times of India' there is an article under the heading 'mounting strain on family budget'. This shows that poor people in every walk of life is a victim of rising prices. Sir, Rao Birendra Singh, the Food Minister in the last Parliament said some time back that this type of price rise after this sort of budget is almost unprecedented. But in today's statement the Government is trying to show through wholesale price index that the farmers are getting just and remunerative price for their produce. This way an effort is being made to hoodwink the people. The real picture is being concealed from the people. This is the character of this Government.

Sir, I want to say a few more things

[Shri Ajit Kumar Saha]

regarding jute. The jute that we produce, has remained of the same traditional variety over the years. There has been no effort at all at research and development to produce better varieties of jute or to introduce high yielding varieties, so that superior quality could be produced which could be used for producing finer things and not restricted to production of gunny bags alone. Our research centres had given various proposals from time to time in this connection but no noteworthy steps have been taken by Government to try them. No thinking appears to be there to effect any improvement in the varieties or yield of our produce. Our neighbouring countries like China, Malaysia, Indonesia etc. are producing much superior varieties of jute. In our country the height of the jute plants is hardly 3 feet but these countries are growing plants which are 18 feet high and they are yielding much finer quality of jute. With that they are producing various types of finer products and selling them in the international market. In our country the Government has no plans even to that end. Our farmers are not getting remunerative price for jute alone but also for tobacco, oilseeds, etc. Therefore, I will urge the Government to fix the price of these products in the sowing season itself which will benefit the farmers and they will be able to decide which crops to sow and thereby will be assured of a remunerative price for their produce.

[English]

THE MINISTER OF AGRICULTURE AND RURAL DEVELOPMENT (SHRI BUTA SINGH) : First of all I would like to offer a small clarification. Earlier, prior to the question of an hon. Member, I had said that we are thinking of advising a ban on import of edible oil. But actually what I meant was that we will restrict the import to the minimum required by our country. Import, of course, will be there to regulate the market and also to meet the consumer requirements. To that extent only import will be allowed,

The hon. Member, Shri Ajit Kumar asked me a question : How do I consider that high price will not be in the interest of the growers ? As you know, high prices always tend to affect the processing units and naturally on this pretext the units are likely to be closed down. Secondly, the world market will be flooded with synthetic substitutes, if we have to go by high prices for our raw jute. It is a world-wide phenomena. People even attempted synthetic tea and synthetic coffee simply because their prices had gone up very high.

Similarly it is in that broader context that I am saying this. It is not that I am insensitive to the growers interest. Growers must get maximum price; they must get the remunerative price. But I said it in the overall interest of the commodity itself and the growers themselves. That is why I said 'it will not be in the larger interest of the growers'.

Sir, the hon. Member naturally asked a question about potato and jute. He knows that this year potato growers suffered due to a very unusual situation. When the crop arrived there was a decline in price. Potato growers all over the country had to face a situation...

SHRI NARAYAN CHOUBEY :
Every year they suffer.

S. BUTA SINGH : Every year the Government of India tries to help. This time what was done is this. Instead of waiting for this kind of trend to set in the market, we issued an instruction to the State Cooperative marketing agencies and also through our own agencies. There used to be a directive earlier. These perishable commodities like potato and onion are not automatically covered by procurement or support price. We had given standing instruction to all the States where potato and onion is grown that they should immediately start intervening when they felt that price of potato and onion and things like that fell below the intervention price and the farmer will have to be helped.

In this season although there was no support price fixed for commodities like potato and onion, their prices fell down. Then, as I said, we intervened in the market. With the consultation of the State Governments, this year, the intervention price for potato was fixed at Rs. 50 per quintal and Rs. 60 per quintal for onion in Maharashtra. Upto the end of May the purchase of potato has been of the order of 33,478 tonnes. The Statewise break up is like this : Punjab 5088 tonnes ; Uttar Pradesh 18,716 tonnes ; Himachal Pradesh 960 tonnes ; West Bengal 8,714 tonnes. The total is 33,478 tonnes. The very purpose of intervention was not to purchase the whole of the commodity. It was to give a support to the farmer. As soon as the price in the local mandis came above support price naturally our purpose was not to purchase the entire commodity ; our purpose was to see that the farmer does not have to sell below the intervention price in distress. You know, these are highly perishable commodities. It is very difficult to store them. When they arrive it becomes a problem for the farmer. We should have the fastest possible transportation system where we can pick up the commodities from one corner of the country and take them to the other corner. Only when perhaps the growers' interest could be saved. I remember earlier we had special trains for apple, for potato and for perishable commodities. This time in the field of onion the Maharashtra State agency purchased 1,98,000 quintals in 1985, on the support price of Rs. 60 per quintal. This is how the Government of India through the corporation of the State Governments was able to help the farmers and growers of potato and onion in various States. There was a difference. In West Bengal the State Government had asked for higher price. But it was very difficult for us to have a different price in one State and another different price in another State. But we did offer to West Bengal Government that to the extent that we have committed to the other Governments we will make up the loss. In case the State feels that they would be able to offer some little better price than the price fixed on the All India

basis, we had no objection. I am happy to inform the House that the State Government in West Bengal did come forward to help the growers in that State and the growers were saved from distress.

Sir, about jute the hon. Member rightly pointed that whenever there is a rise in production the growers suffer and when there is a shortfall in production the prices go up and also at the same time the private mill owners make money out of it. Jute is a very very old crop and these fibre crops like jute, and cotton have a tendency of high fluctuations in prices at the end product level because their market is world over and the processed commodities are sold at a much higher price than the raw commodities.

PROF. N.G. RANGA : In Andhra huge stocks of cotton are unsold.

S. BUTA SINGH : I am prepared to answer that question, but at the moment I am attempting to meet the query of the hon. Member on jute. About this fibre crop, the jute, when the weather was unfavourable and conditions had affected the realisation of the target level of production, this year the progress of jute is rated good. In respect of cotton, a record production of 83 to 85 lakhs bales is expected during the year 1984-85.

Mr. Deputy-Speaker, Sir, the hon. Member mentioned about the wholesale price index. The price of raw jute was ruling above the support level during 1983. These prices shot up to an unusually high level during 1984 due to reduced availability of raw jute. The index number of the wholesale price of raw jute stood at 254.4 at the end of January 1984. When I compare the wholesale price index, I agree with the hon. Member that at the time of arrival in the mandis the price is much lower and when we report here after two or three months, the index has already gone up. But, Sir, my comparison is not with the gap of three months. What I am trying to compare is the last year's price index at the same time with the price index of the same period

[Shri Buta Singh].

this year. Last year, in 1984, as I mentioned, the index stood at 254.4, whereas in February 1985 the index had gone as high as 695.5 at the end of February. Since then the prices have shown signs of easing and have come down to 352.4 on 13th July 1985 in the expectation of a good crop. Even then, this is much higher than what prevailed in January 1984 and before. The fall in prices may be due to the imposition of ceiling prices announced by the jute mills together with the stringent measures to control stocks with the trade. But, Sir, as I mentioned a little while before in answer to a question by Shrimati Geeta Mukherjee, in cooperation with my colleague, the Minister for Textiles, the Jute Corporation of India is kept in readiness to enter the market and also to create buffer-stocks in case the growers' interest is adversely affected.

Sir, I agree with the hon. Member that there is scope for improving the quality of the crop itself, improving the yield of the crop itself. In the last season I remember we were in great difficulty in obtaining even the seeds and we had a tough time with Bangladesh; they were not prepared to give us the seeds. But now I have already issued instructions to the ICAR to create more nurseries in other parts of the country where even the nurseries are not affected by the vagaries of weather and I understand that even the jute seedlings can be produced even in Rajasthan. So, we are trying to develop better quality of crop through improved seeds and also the productivity could be increased. This is all I have to say in reply to the hon. Member.

SHRI INDRAJIT GUPTA (Basirhat) : Sir, before I come to the question on jute which unfortunately I am also mainly concerned with, much has already been said on the subject. So I would be brief. But before I come to that, just a word about coconut. I want to know from the Minister whether it is a fact or not that substantial quantities of coconut oil are being imported from

abroad. We would like to know what is the figure. Some concrete data about the figure should be given to us. What are the quantities of coconut oil which have been imported and at what price from abroad? They are importing copra also. In any case, as far as I know, the requirements of coconut oil in our country are partly domestic and partly industrial. For domestic purposes, it is mainly used in Kerala. I don't think in other States they use it. In other States, they hardly use coconut oil for cooking. But it is used in Kerala, of course. The domestic requirement is quite limited because of this. The industrial use of coconut oil is also there. But I gather that the production in our own country is quite sufficient to meet both these types of requirements. I want to know, if it is true, why coconut oil is being imported from abroad because obviously, this is the factor which is contributing to the depression of prices of coconut in Kerala. The Government should tell us whether they propose to continue to import coconut oil or whether in the interest of coconut growers, they are going to stop this import, which apparently is not necessary at all, excepting in the interest of some vested interests.

As far as jute is concerned, I must make one observation. I hope the Minister is familiar with the modalities of our jute cultivators. The same process is going on for 100 years or more. He is talking about what happens when the crop comes to the market, to the mandis. But he must know about jute that there is a special characteristic of this trade. Much of this raw jute is sold long before it comes to the market. It does not come to the market at all. It is sold at the door-step of the cultivators by means of some contract, not a written contract of course, or by means of an understanding.

MR. DEPUTY-SPEAKER : This is for many crops, not only for jute.

SHRI INDRAJIT GUPTA : You can enlighten me about other crops.

S. BUTA SINGH : Most of the horticulture market is like that.

SHRI INDRAJIT GUPTA : That means, what? That means, he is not holding the power at all. The moment the raw jute is ready, the crop is ready, he has to sell it then and there. Otherwise he does not have the wherewithal to subsist or to keep his family alive. If there is a strong cooperative system or something, which I regret to say is not there, it might be possible for the jute farmers to get together and to hold on to their crop for a while and bargain for a better price. But they are not in a position to do that at all. Most of these crops, a good part of this crop is sold before the crop is ready. And through these middlemen, traders and agents of the mills who go from village to village, a very low price is fixed. The temptation for the grower is that he will be immediately paid in cash—that is what they offer to him—the moment his produce is ready.

What I want to say is that this minimum support price which is announced from Delhi by the agricultural Prices Commission has very little meaning for that jute cultivator in the interior of the jute growing districts of Bengal or Bihar, Andhra Pradesh and so on, where he is in his village. Even I know that in West Bengal many of these jute cultivators do not even come to know at what price the Government is prepared to buy, if he takes his jute from his house to the nearest market where the Jute Corporation of India will be functioning. The Jute Corporation of India does not function in a very dynamic way, I am afraid. First of all, it is necessary that the growers should be extensively informed by all possible means, whether it is by radio or by means of leaflets and all that. They must be informed on a wide scale as to what is the price which is being fixed by the Government and what price the J.C.I. is prepared to pay. Obviously, the J.C.I. will not go from house to house of the farmers. The nearest mandi, the nearest market where they are operating must be informed to

the farmers that if he brings his commodity there, then the J.C.I. is prepared to buy and will buy at such and such price.

This mechanism, as far as I know, does not function in the majority of the jute-growing areas of West Bengal and the Government should take more active steps in this regard.

Secondly, it is not known on what basis the Agricultural Prices Commission has fixed the price. Of course, the hon. Minister has said that so many factors are taken into account while calculating what the price should be. The hon. Minister also said, if I understood him correctly, that before the price is finally fixed, the State Governments are also consulted and their opinion is taken as to what the minimum support price should be. If that is the case, I would like to know from the hon. Minister what was the opinion of the West Bengal Government at the time when this price was fixed this year at Rs. 223-230? What did they suggest? Obviously, nobody expects that last year's prices will continue. That was an abnormal year, absolutely abnormal in the whole history of the raw jute industry. There are some special reasons for it into which I am not going now. Anybody know that those conditions are not prevailing this year. The prices are coming down very fast. But, what was the price when the State Governments of West Bengal, Bihar, Orissa, Andhra Pradesh and Assam suggested before the Agricultural Prices Commission took the final decision? There are different varieties of jute, of course, and different prices have to be fixed. But I would like to know to what extent the opinion of the State Governments was taken into consideration before this price was fixed.

The hon. Minister mentioned the price which is ruling in Calcutta. Calcutta price had nothing to do with the farmers. The price of raw jute at Calcutta does not apply to the farmers. This jute is being sold in Calcutta by the

[Shri Indrajit Gupta]

middlemen and traders who have already purchased from the farmers.

So, the trend this year is very dangerous, unless some timely measures are taken. What has the hon. Minister said in his statement ?

“The jute Corporation of India has been alerted to enter into the market in a significant manner.”

I must say it is a very diplomatic statement. “Has been alerted,” that means it has not entered into the market and, “in a significant manner,” what is the meaning of that significance? I would also like to know this.

This year we are expecting a bumper crop of 80-85 lakh bales, more than is actually required by the industry and up to now in the history of the jute Corporation, they never got more than 10-15% maximum of the available jute. The rest of it, 85% or 75%, has always been left available in the open market for the jute mills mainly, to buy through their middlemen and traders and so on. This “alerting of the JCI to act in a significant manner this year”, does it mean anything more than that ? I do not know. It is because the hon. Minister for Textiles told a deputation of Members of Parliament recently that the Jute Corporation may buy this year up to 33% of the jute which is available.

SHRI CHANDRA SHEKHAR SINGH : It will be anywhere between 25-33%.

SHRI INDRAJIT GUPTA : Please tell us what is meant by “significant manner.” It should be confirmed at what actual price they are going to buy because a certain part of their purchases are earmarked for the nationalised jute mills that is, the National Jute Manufacturers Corporation. I have no objection to that. But it means that the bulk of their purchases may go only to these

five or six mills and they are prepared even to pay a little more than the minimum support price for them.

Perhaps the price that was being mentioned is the minimum support price plus Rs. 25. That is perhaps meant only for the NJMC Mills supplies. I do not know about the rest. When will this operation begin and is there a target ? Shall we take it that the target as definitely fixed and allowed to the JCI Ltd. is 25-33% of the available jute ?

Are any new purchasing Centres going to be opened ? Please tell us how many and where. Have you got the godown capacity to carry this jute because JCI always tells us that they are suffering from incapacity of storage space.

In spite of your requests and entreaties and so on, some of these mills will continue to remain closed. They do not bother very much about it. If it suits their own business considerations, they can keep those mills closed ! Then at least you see that the godowns of those mills in Calcutta are utilised for shoring the jute which is purchased by the JCI; in case you have not got your own storage space you should requisition the godowns of these closed mills and use them for keeping the jute.

About the new crops having come with high-yielding varieties and all that, it does not apply to jute at all. Upto now, as I know, the same old primitive methods of cultivation are there; no high-yielding variety has come.

The interesting thing which I want to conclude with is this. While the prices of raw jute are going down and about 20 mills are still closed—17 or 18 or 20 mills are closed—the figures show that the production of jute goods in the mills, that means in the mills which are open and running, is going up. May I just offer a brief quotation from today's Calcutta *Statesmen*, from the market reports, the City News, which they publish every week; it says :

"The buying support....."

He is talking about buying of jute goods manufactured jute goods.

"The buying support is steadily escalating from domestic as well as foreign sources. It is noticeable that the cement and sugar industries have been buying fairly large quantities of bags. The demand for Hessian and yarn has been improving from countries like USA, UK and West Asia".

So, the situation is not as gloomy as the millowners want to make out. And the production figures show that, in the case of Hessian, the production in May was 7200 tonnes and in June it has gone up to 18,000 tonnes; in the case of sacking, the production in May was 26,100 tonnes and in June it has gone up to 30,000 tonnes. This is at a time when 20 mills are lying closed and there is no production at all there.

Then the *Statesman* says :

"The indication is that the business circles are envisaging acceleration in the foreign offtake during the coming months."

This is the situation, and this Government cannot force these people to open their mills! Most of these mills are not closed due to industrial disputes. I want to repudiate this idea which is being put around. There are three or four mills where the mills were closed on the plea of industrial disputes between employers and workers. But what about the rest of the mills which are closed? There is no industrial dispute there. They have been closed by the employers, and now pressure is being put to make the raw jute prices go down further. That is why we are pleading with the Government that the Jute Corporation of India should not delay any further; the announcement must be made; it must be handed to the growers, and the Corporation should

enter the market and start buying. Otherwise, the conspiracy of the millowners, as we have seen always in the past, will succeed in pushing the prices of raw down, and the Government will intervene at a time when it is already too late.

S. BUTA SINGH : Sir, I must thank my senior colleague, hon. Member Shri Indrajit Gupta, for educating me over the methods of cultivation in jute. It is true that I am very new in this Department, but my background is from a village—of course, not in jute. I know, in Punjab, only a few years back, the crop used to meet the same fate as jute is meeting in West Bengal now. Actually the cause lies with the State Government. If we in Punjab, Haryana and Maharashtra have been able to save the growers from the middlemen, I find no reason why a socialist State under Marxists should allow this kind of large scale exploitation of the growers at the hands of middlemen and arthiyes. It is high time that the Marxist Government addressed themselves to this task. It is a shame when I hear that the crop is purchased when it is ripe...

SHRI INDRAJIT GUPTA : The trouble is that the Socialist State is surrounded by non-socialist States who are also growing jute.

S. BUTA SINGH : Now, as the Hon'ble Member has mentioned, it is a fact that sufficient publicity is not given to various measures taken by the Government to help the growers especially in the price factor. It should be announced and I am sure after this suggestion, I will definitely convey it to my colleague, the Minister for Information and Broadcasting for giving more time to educate the farmers on various aspects of jute crop and other crops also. This is a very vital aspect because here the farmers are cheated by the middle men. For other crops like coconut, arecanut, rubber, there are State Cooperatives. Coconut has got big publicity; it has got a big lobby; it makes and unmakes the Chief Ministers.

(S. Buta Singh)

Whereas as regards the jute, perhaps the rope is not very strong. Cotton and sugar are very strong, they are very dominant in their respective zones. Sir, in regard to Jute, I agree with the Hon'ble Member and I have already informed the House that from the ICR side, we are trying to develop better quality of jute crop by improving the seed and also by seeing that the productivity is increased. Sir, the Hon'ble Member wanted to know the number of purchase centres. At the moment there are 183 purchase centres with the Jute Corporation of India and the cooperative marketing societies have 240 centres. Sir, now I need not repeat what my colleague the Minister of Textiles has already said. This time as the Hon'ble Member has said the JCT is alert; I also mentioned that we are keeping the JCI in readiness. Now the thing is that as the Hon'ble House knows that when the price comes to the support level, the Government is prepared to go a step forward to pay Rs. 25 more than the support level. The Jute Corporation of India is going to intervene the market.

SHRI INDRAJIT GUPTA : Have you given them funds ?

S. BUTA SINGH : Yes Sir. They have already been sanctioned to create even buffer. The Reserve Bank of India has already sanctioned enough money and the operation will start with the prices when they are ready and also plus Rs. 25 as announced by the Textile Minister. Sir, we are not very much bothered about the storage capacity. We know how to find the storage capacity, if we have to resort to the step that the Hon'ble Member has suggested, we will not mind, we will go that way also. Sir, the Hon'ble Member raised a question of coconut oil. The coconut oil is not imported in large quantity and this time I have already announced before this Parliament Session that the coconut oil should not be imported and the Government has decided not to import coconut oil, so as to save our coconut growers.

I was asked a question about this when I was in Kerala. Sir, in the last year 944 tonnes of coconut oil has been imported just to stabilise the prices and this time the crop is in a very good shape; but on the contrary the prices are falling and the Kerala Government has already taken initiative in stabilising the prices and I am happy to announce this before this august House that the prices have been brought to a level where the farmer is feeling satisfied. Sir, about the closed mills, my Hon'ble colleague has taken note and he will attend to this problem.

SHRI INDRAJIT GUPTA : Both the Hon'ble Members sitting behind you have taken only notes; but nothing is happening, mills remain closed. Jute mill owners don't care.

S. BUTA SINGH : Sir, about the opinion of the West Bengal Government for the support prices. Whatever the Commission for Agricultural Costs and Prices had recommended to the Government, we processed it. The views of the State Government are with the Commission, as soon as we receive the views, I will convey it to the Hon'ble Member. At the moment, the opinion of the State Government are with the commission.

That is all he has asked.

[Translation]

SHRI KAMMODILAL JATAV (Morena) : The prices of mustard are falling. What steps are being taken by the hon. Minister in this regard ?

[English]

MR. DEPUTY SPEAKER : You can write to the Minister.

SHRI SATYAGOPAL MISRA (Famlik) : Much has been said regarding the calling attention. Sometimes it so happens that prices of some agricultural produce go up in the market but that does not mean that the higher

prices reach the farmers. And that is the whole trouble. The poor farmers cannot have their stocks for a very long time. Therefore, as soon as they produce they bring it to the market and at that stage some hoarders, some middlemen and some agents of mill-owners purchase the agricultural produce from the farmers at a very very low price because they have the capacity to hoard. They have the capacity to keep the produce purchased from the farmers for a very long time. In that process they get the opportunity for bargaining for a better price. This is the whole problem.

Sugarcane-growers are not getting remunerative prices. On the other hand, the price of sugar is regularly going up. Similar is the case with every other commodity.

The hon. Minister cited the examples of jute and paddy and said that the price of jute in Calcutta reached the level of Rs. 975 per quintal in January 1985. I want to know in the month of January who brings jute in the Market? It is the middlemen or the hoarders. Farmers cannot keep their produce for six or seven months for getting a better price. Similarly at present the paddy price is something higher. But can the paddy-growers keep their produce for a long time? Therefore, my humble submission is that as soon as the agricultural produces come to the market, some governmental machinery should be there to purchase them. This is in regard to every agricultural commodity. Some Government machinery should be there which will be able to purchase directly from the farmers at the support price of the government.

Another thing, 'Why is the Government taking so much time in declaring minimum support price for the agricultural produce? My point is that before sowing the minimum support price should be announced by the Government for every crop. A calendar should be maintained that for certain crops certain dates would be fixed and that should be done in consultation with the Kisan leaders. So many Kisan organisations are there. The ruling party also

has its own Kisan organisations. For every agricultural commodity a certain date should be fixed by which the Government should announce their support price every year.

I have said earlier also, that the government machinery should be there in every nook and corner of the country which should be able to purchase directly from the farmers the agricultural produce.

Another thing is that how to do you determine the minimum support price of the agricultural produce? The hon. Minister has said something but our actual experience is that the factor of the cost of production is neglected. This time while determining the minimum support price for raw jute, we find that the minimum support price is less than the cost of production. On this point I would request the hon. Minister to take guidance from the leaders of the different 'kissan' organisations. This year the minimum 'support of raw jute should be Rs. 600 per quintal.

A situation has come when after one or two years the whole jute industry will be doomed because the mill owners are not listening to the Government's decisions. They have closed down so many mills and a result thereof so many workers have become unemployed. This time the farmers of West Bengal, Bihar, Orissa, Tripura and Andhra Pradesh have produced a very good jute crop. In this year if they do not get the actual price or some incentive for their production then next year they will not be encouraged to go in for production of jute. Then what will happen! The whole industry will suffer.

Another danger is also there. If this year the farmers do not get the minimum support price or some incentive then they will be bound to sell their lands and switch over to something else. This will result into another unemployed section and the whole economy will get jeopardised.

In this context I want to know from the hon. Minister what the JCI have

[Shri Satyagopal Misra]

done till now? My information is that the JCI will not enter into the market until the last week of August. That seems to be their internal decision. This seems to have been decided with the consultation of the mill owners. Why does the JCI not enter the market as soon as raw jute comes to the market? Will the Minister be pleased to tell how much quantity of raw jute JCI has purchased during this season? Why is there so much delay and to whom the benefit is going?

S. BUTA SINGH : Mr. Deputy Speaker, Sir, the hon. Members must always bear in mind that the support price is different from ordinary shopping in the market. Support price is meant for a particular situation. As and when that situation arises the support price machinery must enter the market. My contention has been right from the hour the discussion on the Calling Attention started that jute prices have not come to the level where the support prices are required to be declared.

Sir, my hon. colleague has added Rs. 25 to it. That is the net gain of today's discussion. He has said that he will add another Rs. 25 to it and as soon as the level is touched the JCI is bound to enter the market and purchase the raw jute. I will go with the hon. Member if we had the resources to purchase the entire agricultural produce, put it in our godowns and regulate the prices then it would have been a different question. But the system at present in the country is that for certain crops we fix the crop price.

15.00 hrs.

For certain crop we fix the support price. The procurement prices are for two purposes. Whenever there is a deficiency in the market, we have to supply food to our people and in case it is not met by our internal production we will not hesitate in importing it. But fortunately for us, that situation is fading away. In certain aspects, we are in a position to supply them to other countries. During the last 30 years or

more, Indian farmers have shown to the world that with the help of scientists, experts and specialists, India is capable of achieving self-sufficiency in matters of food production and we are proud of it.

With regard to jute, which the hon. Member has raised, I may point out that as soon as the price touches the level definitely the Jute Corporation of India will purchase it. I have already assured the House that we will create a buffer stock and the Jute Corporation of India will be kept in readiness. The hon. Member wanted to know how do we determine the prices, whether the farmers or the growers are involved in the fixing of prices or not. The growers may be Congress or Marxists or Akali or Janta Party Members, the grower is a grower, a farmer is a farmer. After all kisan is a kisan. The Commission which is charged with this duty has organised very elaborately a system of arriving at a support price for a given crop. Sir, with your permission, I may read out the methodology which the Commission follows so that the hon. Members know how many details are involved. The actual growers, not the political leaders, the kisan leaders, the small and marginal farmers are consulted by the Commission. I would now read out the relevant portion :

“The Commission has developed a practice of consultations with the State Governments and various other public institutions and concerned interests. The Commission visits different States for eliciting the views of the State Governments and various other interests including farmers, the trade and industry and also invites the representatives of various organisations and State Governments for detailed discussions with the Commission in New Delhi. The Commission makes a detailed review of the cost of cultivation of concerned commodities. For this purpose, the commission is

supplied with estimates of cost cultivation/production generated through comprehensive scheme for studying the cost of cultivation being implemented by the Agricultural Universities/research institutes in various States. As of now, a total of 9000 samples are studied every year by these universities through their field surveys to generate the information on cost estimates. The Commission also takes into consideration the changes in the input costs since the completion of the study and provides for such changes before formulating its price recommendations.

While recommending support/procurement prices, the CACP is enjoined to keep in view (i) the need to provide incentive to the producer for adopting improved technology and for maximising production (ii) the need to ensure rational utilisation of land, water and other productive resources and (iii) the likely effect of the price policy on the rest of the economy, particularly on the cost of living the level of wages, the industrial cost structure, etc."

These were the studies made and the rules which the Commission every year follows minutely before arriving at support price or procurement price for a given commodity.

SHRI NARAYAN CHOUBEY : I would like to know from the hon. Minister who are the persons who studied in the fields with the farmers. I have to get it from the West Bengal Agriculture University. I will collect the information and pass it on to the concerned. The prices are recommended by the Commission to the Government of India. Then the Government of India sends these recommendations to State Governments, obtains their views and then finally, after obtaining the views

of the State Government, a particular price for a given commodity is fixed. This is how we work at evolving the support and procurement prices. In fixing procurement prices, we have two purposes. One is to ensure that sufficient quantity of crops which are covered by procurement are procured by the public agencies. The hon. member wanted to know what is the machinery available. In every State, we have a cooperative system, which helps farmers in marketing. We have the State Agricultural Federations and then, in addition to them, to give financial back-up, to give them support from the Government of India, we have apex bodies like the Agricultural Federation of India, Jute Corporation of India, Cotton Corporation of India, etc. All these organisations are meant to help the farmers in obtaining their remunerative prices, so that the farmers are not compelled to resort to distress sales. All these steps are taken to help the farmers in increasing agricultural production in our country. I am sure the hon. member will be satisfied with my answer.

SHRI V. SOBHANADREESWARA RAO : Crores worth of huge stocks of cotton are lying in Andhra Pradesh. Why cannot the Cotton Corporation purchase this cotton ?

S. BUTA SINGH : Let the hon. member write to me in this regard.

BUSINESS OF THE HOUSE

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI H. K. L. BHAGAT) : With your permission, Sir, I rise to announce that Government Business in this House during the week commencing 29th July, 1985, will consist of

- (1) Consideration of any item of Government Business carried over from today's Order Paper