

*Clause 1. the Enacting Formula and  
the Title were added to the Bill*

SHRI JANARDHANA POOJARY : The  
question is :

“That the Bill be passed”.

MR. CHAIRMAN : The question is :  
“That the Bill be passed.”

*The motion was adopted*

MOTION RE : SUSPENSION OF  
PROVISO TO RULE 66.

(English)

THE MINISTER OF STATE OF THE  
MINISTRY OF COMMERCE (SHRI  
KHURSHID ALAM KHAN) : On behalf  
of Shri Arjun Singh, I beg to move :

“That this House do suspend the  
proviso to Rule 66 of the Rules of  
Procedure and Conduct of Business in  
Lok Sabha in its application to the  
motions for taking into consideration  
and passing of the Agricultural and  
Processed Food Products Export Deve-  
lopment Authority Bill, 1985 and the  
Agricultural and Processed Food Products  
Export Cess Bill, 1985 in as much as  
these are dependent upon each other.”

MR. CHAIRMAN : The question is :

“That this House do suspend the  
proviso to Rule 66 of the Rules of Pro-  
cedure and Conduct of Business in Lok  
Sabha in its application to the motions  
for taking into consideration and passing  
of the Agricultural and Processed Food  
Products Export Development Authority  
Bill, 1985 and the Agricultural and  
Processed Food Products Export Cess  
Bill, 1985 in as much as these are depen-  
dent upon each other.”

*The motion was adopted.*

16.39 hrs.

AGRICULTURAL AND PROCESSED  
FOOD PRODUCTS EXPORT DEVE-  
LOPMENT AUTHORITY BILL

AND

AGRICULTURAL AND PROCESSED  
FOOD PRODUCTS EXPORT CESS  
BILL

[English]

THE MINISTER OF STATE OF THE  
MINISTRY OF COMMERCE (SHRI  
KHURSHID ALAM KHAN) : On behalf  
of Shri Arjun Singh, I beg to move :

“That the Bill to provide for the  
establishment of an authority for the  
development and promotion of exports  
of certain agricultural and processed  
food products and for matters connected  
there with, be taken into consideration.”

“That the Bill to provide for the  
levy and collection, by way of cess, of a  
duty of customs on the export of certain  
agricultural, and processed food products  
for the development and promotion of  
their export and for matters connected  
therewith, be taken into consideration.”

It is proposed to establish an Authority  
for the development and promotion of the  
export of certain agricultural and processed  
food products. I suppose, I shall be stress-  
ing the obvious, if I emphasise the import-  
ance of these items in our export basket. It  
is a known fact that at present the share of  
agricultural items in export is only 25 per  
cent of our total exports, while the prospects  
are enormous. Therefore, it is necessary  
that we should make special efforts for pro-  
moting the export of these products.

At present the Processed Foods Export  
Promotion Council looks after the export  
of these products. It is a fact that the  
Council does not have any statutory backing

to undertake quality control and this aspect needs special consideration because quality control is very important, particularly when the importing countries insist, on it. The Council is also not well-equipped to generate production of value added products or to effectively promote the export of these products. It is a known fact that these products bring in more revenues and more foreign exchange. Therefore, we should lay more stress on the value added products of these items.

It has, therefore, been decided, keeping in view the importance of these products and the future prospects, as I said just now, to replace the Council by a statutory authority which would be able to discharge its functions and responsibilities in a more effective and in a more promotional manner. It will also be able to coordinate its activities with national bodies like Horticulture Board and the State Government for generating the production for exports and with various research institutions for development of value added products.

Sir, it will also undertake quality certification and effectively streamline the inspection and quality control for products such as meat and meat products. The present situation in this regard is not wholly satisfactory and therefore it needs special attention, particularly in the matter of quality control. The Authority will have representatives from Central and State Governments, Parliament, Trade, Export Promotion Councils and specialists in the field.

One of the important functions of the Authority will be to develop processed food industry by way of financial assistance, feasibility studies, participation in equity capital through joint ventures and other relief and subsidy schemes. Registration of exporters of the scheduled products, fixing of standards and specifications for scheduled products for export will be another very important aspect of the working and responsibilities of this Authority. Inspection in slaughter houses and processing plants improvement in packing and general hygienic conditions is also the responsibility which the Authority will have to undertake because, hygienic condi-

tions in the slaughter houses is a very important matter and it has to be looked into more carefully, because as I said earlier, the importing countries insist upon the hygienic conditions and their standards are very high.

The Bill contains a provision that the Authority will provide necessary measures for the development and promotion of exports of agricultural and processed food products. As I have said, the agricultural sector contributes significantly to our export efforts and it will have to continue to do so in a sustained manner, particularly because we feel that the prospects are enormous. Therefore, this Authority will be able to achieve these objectives which we have in view for the export of our agricultural products particularly in added value share.

But increased reliance shall, however, be placed on export of processed food products which lead to a higher realization through added value. Incidentally, it would also generate economic activity and additional employment for our people. We have several serious constraints in the growth of exports of processed food products at the moment. For instance, at present the food processing industry is mainly in the small scale sector, using technology of processing and packing which is outdated and outmoded. Therefore, the latest technology should be utilized; and only this Authority will be able to do this.

In order to ensure a stable market, it is necessary to guarantee strict standards of quality expected by importing countries; and the quality control and quality of inspection will have to be standard ones, and will have to be raised, to meet the desired standards of importing countries. This would naturally require the input of research technology and a considerable degree of organizational effort, which the Authority will have to organize.

In order that the Authority may have necessary resources to discharge its functions and responsibilities, a levy by way of a Cess on duty of customs on all scheduled agricultural and processed food products which are exported will be there, in a range not

[ Shri M. Raghuma Reddy ]

exceeding 3% *ad valorem*. The actual rate of cess will vary, depending on the nature of the product, i.e. ranging from 0.5% to 3%, which will be the maximum.

With these words, I beg to move that the two bills, viz the, Agricultural and Processed Food Products Export Development Authority Bill, 1985, and the Agricultural and Processed Food Products Export Cess Bill, 1985 be taken into consideration together.

MR. CHAIRMAN : Motions moved:

“That the Bill to provide for the establishment of an Authority for the development and promotion of exports of certain agricultural and processed food products and for matters connected therewith, be taken into consideration.”

“That the Bill to provide for the levy and collection, by way of cess, of a duty of customs on the export of certain agricultural, and processed food products for the development and promotion of their export and for matters connected therewith, be taken into consideration.”

Now Shri Raghuma Reddy.

SHRI M. RAGHUMA REDDY (Nalgonda): Sir, This Bill proposes to provide, in place of the Processed Foods Export Promotion Council, an Agricultural and Processed Food Products Export Development Authority. In one way, this Bill will be helpful to farmers and the farming community, if it is implemented sincerely, and the implementing authorities are honest.

Normally, when they create such Corporations or Authorities, the idea behind it all is to provide employment to some non-officials and officers who are corrupt and inefficient. Such people are posted in these Corporations and Authorities. In this Bill, provision has been made for too many members in the Authority. Many experts have been included, including Members of Parliament and people connected with

agriculture. But it is too broad-based an Authority, and looks like a market. The number of members is too many. I do not think too many members will deliver the goods; and it will impossible for them to come to a conclusion on some issues.

There is a reference in clause 9 to the appointment of committees by the Authority. But that clause does not specify how many such committees will be formed. There should be a sub-committee which will deal with the problems of farmers.

Today we have become self-sufficient in agricultural production; and we have to export each and every product of our country--not only these of agriculture, but also those of horticulture, dairy, poultry and medicinal plants. But we should maintain quality while preparing by-products. We should acquire the latest technology. You are speaking every now and then about super technology. That technology should be acquired. The programme should be implemented sincerely in all the areas.

We should plan, those items which we are going to export to other countries. They should be sown in our area. Which crop we are planning to grow, whether it is horticulture or dairy or serials, first we have study their demand. You first study the demand of the international market and then take up those crops and other things. If you ask the farmer to grow a particular crop or some thing else where there is no market and nobody is there to buy that product, then some middle man will take advantage of that situation; he will try to get remunerative prices than the farmer. In this way, some body will become millionaire at their cost.

The authority which you are going to create should be able to study properly all these aspects and then only you can take action against them. You can also have a survey of what the Indian farmers are producing and what more they want. We have to compete with international market in other countries. Day-by-day, other countries are developing technologies. So, we have also to deve-

lop our technology in such a way that can compete with the technologies of other countries. Only then we can take advantage of our export.

Marketing facilities and other business concessions are also important. If you are not able to find present officials upto the market, you may advertise and select proper persons for doing these things. You can get trained and intelligence officials from some reputed concerns also, those private firms which are doing business in this line, instead of going with the present system.

You are changing the council because it is not working properly. You are going in for more power and bringing a new system. Here I would suggest that you should not take the same officials and other related things: you can broad base it. You can invite people from other firms also which have got a good reputation and can call for other things also from the private sector where trained people are there. You can make use of their services for the betterment of the authority.

Today, the cotton growers are not getting good prices because the people at the higher level say that they are not growing a good quality of cotton: that is why they are getting less price for it and they are being duped. Who is responsible for this quality of cotton? When you take up this issue, first you maintain the quality, supply and other things. Whatever product you want, whether it is horticulture, dairy or any other product, the quality should be maintained. For maintaining a good quality, you require latest technology which is marketable in other countries at cheaper rates. Then only you can get that technology and develop your own technology which can compete with the technologies of other countries.

Ours is an agricultural country. 75 per cent of our population depend on agriculture. You should take the farmers into confidence and help them. This will help you in increasing your export of the farm products and the farmers will also be able to get remunerative prices for their products. Please do not allow the middle man and

the black-marketters to come in your way and harm the farmers. I hope, if these things are taken into consideration, this Bill will help the farmers in getting remunerative prices. I am of the opinion that you will be helpful the farmers and I hope that this Bill will help the farmers in improving their quality of products.

[Translation]

SHRI BALASAHEB VIKHE PATIL (Kopergaon): Mr. Chairman, Sir, I am grateful to you for giving me an opportunity to speak. I want to thank the Government for bringing the Bill in connection with change in policy regarding agriculture, because peasants have been demanding for quite a long time that when different corporations have been set up for export of the industrial products, arrangements for export of agricultural products should also be made. The peasants have been demanding this for the last 5 to 10 years. Therefore, I think that today is a very auspicious day for the farmers when the Government have made provision through this Bill that the farmers can also export their products directly on their own or through their cooperatives. Just now the hon. Minister has said that out of the total exports, 25 per cent consists of agricultural produce (including meat etc.). In the meeting held in 1982 it was stated that during the last 5 years, agricultural produce worth Rs. 1435 crores had been exported and our target was of Rs. 3,500 crores. I am not aware upto what extent they have achieved the target and how much they are going to achieve. During the Sixth Five Year Plan, what was our target for exports and what target has been fixed for the Seventh Five Year Plan and what will be our policy to achieve that target? What we are seeing is that the step taken by the Government is a good step, because the government wants to enter into joint ventures and I would support this move, but I would request the hon. Minister that while entering into the joint ventures, he should encourage the cooperative movement, because in this industry also, monopolists and agents are engaged. When we want to export certain better quality items we should send those items through cooperatives. You can look

[ Shri Balasaheb Vikhe Patil ]

towards NAFED. NAFED is engaged in the trade of jute, cotton and other items and every one is aware as to how it is functioning. Take the example of onion, When we suffered losses in the trade of onion, every State Government decided not to export onion at a loss. In the case of banana also the same thing happened. When yield is very good and we try to export the produce, we do not get remunerative prices for that. Therefore, we should think of formulating a long term policy. If we prepare a long term policy, they cancel our orders whether these are for rice (basmati or any other variety), wheat, cotton, tea, coffee or any other commodity. At that time, these commodities flood the Indian markets and the farmers become the victims and suffer huge losses.

One thing more I want to say and that is about the warehousing facility. For the commodities we want to export, there should be increased storage capacity available, and this capacity should be enhanced in a scientific manner. For this, if some investment is required, that should also be made. If we say that the agents who want to export, should create storage capacity, then that is not going to happen. The government has brought forward this Bill and if there are no godowns to store the processed food and agriculture produce and if we do not have any sustaining power, then the time we go to international market, we will have to suffer losses as we will be forced to sell the items to other countries. I, therefore, urge that storage capacity should be created.

A mention has also been made about registration, Registration should be a bit easier, Presently, it is quite cumbersome. My friend has said that study about the market potential in foreign countries should be made by some governmental market agency so that the farmers and the country can come to know about the potentiality and the farmers may decide their cropping pattern as to what

they should produce and what they should not produce. This they can do keeping in view the requirements of the foreign market as well as domestic market. If it is not done so and some commodity is produced in abundance, e.g. now the cotton crop is in abundance, we will insist for export of the item and the government will say that it is not possible, because there is no demand in the foreign market and we will suffer losses. In the case of sugar, the same thing has happened. In the matter of tea and coffee also, the same thing has happened. Therefore, I feel that there is imperative need of increasing our warehousing capacity. If there is no facility of warehousing, then the agriculture and processed Food Development Authority will not be able to function in the way we want and the interests of the farmers will not be protected.

Another thing I fail to understand is about resources. You have talked of levying cess and that is 3 per cent at the maximum. That differs from product to product and varies from item to item. I would like to know from the hon. Minister that as you are not merely exporting agricultural products, different industrial goods are also being exported, which are those industrial goods for whose resources you have levied cess and why do you want to levy cess on these products only? It will cause difficulties to the people. While exporting, if you levy cess they will cost more. You should see that removal of cess does not result in any difficulty as you are not levying cess on many more items and for agricultural export development you are levying the cess. I do not consider it good and proper.

17.00 hrs.

[English]

MR. CHAIRMAN : The hon. Member will continue tomorrow.

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