

HALF AN HOUR DISCUSSION

Measures to stop distress sale of Cotton

[English]

THE MINISTER OF PARLIAMENTARY AFFAIRS AND TOURISM (SHRI H. K. L. BHAGAT) : We can sit for one hour more.

MR. SPEAKER : Yes, we can sit one or two hours more.

SHRI SURESH KURUP (Kottayam) : All the Members are going away and nobody is listening to me.

MR. SPEAKER : I am going your job. All the time I am listening to you also. Are they so afraid of Mr. Kurup ?

SHRI SURESH KURUP : Sir, this fall, in price of cotton has already been discussed in this House. A Calling Attention was there, a question was there and all the time, the Hon. Minister was saying...

MR. SPEAKER : At least I am thankful to you.

SHRI SURESH KURUP : All the time the Minister was saying that all these problems will be looked into and measures will be taken for getting fair price to the farmers.

Now, my request to the Minister is 'please don't give such assurances', because Rangaji, every time, the Minister gives assurances that fair price will be given to the farmers, whether it is for cotton, coconut or anything else, the moment he says it in the House, the next moment, the prices again go down. So, that is my humble request.

Last year, we had a bumper crop. This year also the situation is the same. This should have been a matter of rejoicing for the farmers. But it sends shivers through the spine of the farmers, viz. that a bumper crop has occurred—because the prices are going

down alarmingly. It is a very pathetic situation, because Government is doing nothing to help the farmers.

PROF. N. G. RANGA : Not enough.

SHRI SURESH KURUP : After a lot of criticism, at least the Cotton Corporation very reluctantly came to purchase cotton, as if it is not their business, and that they were doing a great favour to the farmers, they came to the market. They are supposed to buy this cotton at the rate of Rs. 555, which is the support price. It is only Rs. 20 more than last year's. Even this price the farmers in various parts of the country are not getting. They are entitled to get at least this support price, which the Government has declared for cotton. In various parts it has already been found that they are not getting it. This month and next month much more cotton is going to come to the market. There is every possibility that prices will again go down. So, I request the Minister to take immediate steps to see that these prices do not go down further at least.

PROF. N. G. RANGA : And see that the officers play fair with the farmers.

SHRI SURESH KURUP : If you look at it, many of the problems on the cotton front are there actually because of the negative policies of the Government. Government does not have an efficient machinery to make assessments of the crop. For example, last year everybody connected with the trade was saying that they were going to have a bumper crop. Government was taking a totally negative attitude. When at last prices went down, Government took some measures. Last January, Government released one lakh bales of cotton for export. With that, it was not possible to arrest the decline in prices. Then again, one lakh bales were released in March. Again, another one lakh bales were released for export. All these three lakh bales could not be sold in the market at that late hour. That is what had happened.

I request the Minister that at least on the cotton front, we should have a very comprehensive export policy. Where was the need for importing cotton at this juncture from Pakistan ? Despite requests from

[Shri Suresh Kurup]

Governments of the cotton-growing States, especially Punjab, Government imported cotton from Pakistan, and released it to the market. I do not know why. The Minister should explain it. Government's new textile policy is also showing its effect. Its emphasis on man-made and synthetic fibres and relegation of cotton to the background is showing its effect on the price situation.

And lastly, what I want to stress is in the policy of this support price and all, the Government should show a concession to the farmers, they should at least declare it early. After all the prices have gone down, after severe criticism from various quarters the Government very very reluctantly declared this support price. They should at least formulate their policies, as early as possible. These are the points I want to make, and I tell you, all these points have been discussed earlier, as I mentioned earlier, the Minister is going to give an assurance and tomorrow you will find that the prices are again going down—they are sure to go down. That would go on. I do not have any faith in the Government's policy.

MR. SPEAKER : Then, I would not have allowed this discussion. I wanted the things to go the other way.

[Interruptions]

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : I would like to assure the Hon. Member that whatever assurance is given on the floor of the House; we always try to fulfil the assurance, and as far as the cotton prices are concerned, normally these cotton prices are announced during the month of November every year, as the Hon. Members must have seen.

This year also, it was announced on the 20th November and soon after the announcement the Cotton Corporation went into action and they went to every cotton producing State and started purchasing cotton.

I would, here, like to mention, before I give the details, for the information of the

Hon. Member, that we have not only reserved five lakh bales of cotton for export this year, but we are also thinking that we would be able to, and we shall try to export some yarn also because if we export yarn it will be a value added export and that will bring in more foreign exchange.

As regards the procurement of cotton, I would just like to give the figures for 1984-85 as compared to 1985-86 as on the 16th December, 1985.

In Punjab in 1984 it was 31,658 bales, while this year it has been 56,700 bales, procured. In Haryana 17,911 bales were procured last year while this year 35,782 bales were procured. In Rajasthan the figure was 30,753 bales last year, and 49,771 bales this year. In Gujarat it was 9,546 bales last year and 32,113 this year. In Madhya Pradesh it was 25,994 last year and 15,457 this year. In Andhra Pradesh last year 10,488 bales were procured while this year 80,436 bales were procured. In Karnataka 2,850 bales were procured last year and 12,000 bales were procured this year. So, last year the total purchases were 1,30,023 bales and this year up to the 16th of December, 1985, it has been 2,76,760. This is one thing.

Another thing that I would like to make very clear is, that a direction has been given to the Cotton Corporation that they should continue to make purchases till the last consignment goes to the Centre, in any State, including Andhra Pradesh or any other cotton producing State. We will continue to buy this.

PROF. N. G. RANGA : What is the latest report ? Are they actually doing it ?

SHRI KHURSHID ALAM KHAN : They are actually doing it. And for that also, I can mention that in Punjab we have 20 centres operating, in Haryana 13, in Rajasthan 27, in Gujarat 18,—in Rajkot there are five,—in Madhya Pradesh there are 26, in Tamil Nadu there are 16, in Andhra Pradesh there are 29, in Karnataka there are 16, and in Kerala there are three. In addition, we are thinking of five more centres in Gujarat, eleven more in Rajkot, and 15 more in Andhra Pradesh. So 35 more

centres will be added to 173 centres which are already in operation.

The Hon. Member questioned the import from Pakistan. From Pakistan, only 75,000 bales of medium staple cotton which was in short supply in the country, were imported. This year not a single bale has been imported nor do we have the intention of importing any.

I would like to mention here that in Andhra Pradesh alone 80,436 bales of cotton were purchased by 16th December, 1985 as against 10,488 bales in the last season. CCI is purchasing all the arrivals of cotton in Andhra Pradesh and the operation will continue till the last arrival, of course, on support price basis. The support price is declared by the APC. Before declaring support price, they take into consideration all the inputs that go into the production and all other things. A team also visited Andhra Pradesh. This team consisting of officers from State Government, Central Government and CCI went from village to village to ensure that the arrangements were made. I must say that the CCI is doing everything in Andhra Pradesh. But why is it that the Andhra Pradesh Federation is not buying even one quintal of cotton ?

SHRI V. SOBHANADREESWARA RAO : Already CCI is there. They have to purchase. 1.5 lakh quintal of cotton was completely submerged at Guntur marketing yard.

SHRI KHURSHID ALAM KHAN : What is your Federation doing there ? CCI is not putting any embargo or any restrictions on them not to buy. Actually at the initial stages CCI was thinking of buying only 15 lakh bales of cotton as against 7 lakh last year. But we have instructed them to continue to go on buying till the last arrival at the centres.

According to the Ministry of Agriculture the support price is remunerative and therefore, we are buying at the support price which has been announced by the Ministry of Agriculture.

There was another allegation that the CCI is buying cotton in Andhra Pradesh below the support price. I would certainly like to say that we are strict in buying cotton at support price. Of course, where cotton has deteriorated and it does not conform to the standard laid down by the Cotton Research Institute, there deductions have to be made. You bring a single case where support price has not been given.

SHRI V. SOBHANADREESWARA RAO : When the cotton comes through the commission agents they are giving the minimum support price. But when it is coming directly from the farmers, they are imposing single cut, double cut and like that.

SHRI KHURSHID ALAM KHAN : We are now buying directly from the farmers. We will buy even upto the last bale that comes to the Centre. But whatever arrangements were agreed to by the Andhra Pradesh Government, they have not done anything.

SHRI V. SOBHANADREESWARA RAO : What is it that you wanted and what is it that they have not given ?

SHRI KHURSHID ALAM KHAN : I will tell you what promise they had made. They had said that the marketing committees would provide weightment machines and platform scales so that weightment could be completed on the same day. Marketing committees have not so far taken this action. Till the weightment facilities in the marketing yard improves, it was proposed that weightments would also be done in the ginning factories, but they said no, you cannot do it in the ginning factories. In fact, it could have been easily done in the ginning factories. In order to enable the growers bringing quality Kapas to get proper price, market committees shall conduct heapwise auction instead of auctioning the entire arrival together in a single bid by mixing it. It is not proper to mix because they have to keep each type separately so that it can be purchased separately. It has not been done. CCI should purchase at least twenty thousand quintals of Kapas arrivals in the market yard daily. The CCI is purchasing the entire

arrival. Whatever arrivals come in a day they are purchasing. These are some of the things which have not been done. This is about the total purchases.

Now the cotton budget is like this. For 1985-86, the carry over from 1984-85 (cotton season) was 24.40 lakh bales. The production was 94 lakh bales. The imported cotton, including the import from Pakistan, which totalled 75,000 bales, was also added in this year's total availability. Then the total availability was 119.15 lakh bales. Out of this mill consumption will be 87 lakh bales. Consumption by others will be 4.65 bales exports were five lakh bales. That makes a total of 96.65 lakh bales leaving a carry over of 22.50 lakhs which will be used in the three months when the cotton does not arrive from August to November.

SHRI V. SOBHANADREESWARA RAO : I would like to have a small clarification. Is it not a fact that the conversion charges per candy coming to the Cotton Corporation of India is around Rs. 507, while the producers cooperatives or the marketing federations, when they purchase cotton and give to CCI, CCI is allowing only Rs. 459 per candy as a result of which those marketing federations or the cotton cooperatives are incurring huge losses. That is why they are hesitant to come forward to purchase. In view of the fact when the Cotton Corporation of India itself is incurring Rs. 707, why not the same amount be allowed in respect of the cooperatives also to enable them to go into the market and purchase.

SHRI KHURSHID ALAM KHAN : Actually the cooperatives have not come in

the marketing and they are waiting for prices to fall. But we have told the CCI that they should start purchasing from every centre directly so that there is no possibility of the prices going down further.

[Translation]

SHRI BALASAHEB VIKHE PATIL (Kopargaon) : I had asked a question. The Maharashtra Marketing Corporation had sought permission to export 5 lakhs bales of cotton, but it was allowed to export only 2 lakh bales of cotton. More export will help in checking distress sale and fetch remunerative price for cotton. I would like to know as to what is the hitch that Government are not allowing more export.

SHRI KHURSHID ALAM KHAN : Sir, I have already said that we have permitted them to export 5 lakh bales of cotton and we hope that after assessing domestic requirements, we would allow them to export the surplus which may even go upto 7 lakh bales. Besides, we also propose to export some quantity of yarn also.

MR. SPEAKER : You ensure that they get remunerative price.

[English]

Now the House stands adjourned till tomorrow at 11 a. m.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday December 19, 1985/Agrahayana 28, 1907 (Saka)