

- (b) the stock of sugar in the country at present, State-wise;
- (c) whether there is a shortage of sugar at fair price shop under the Public Distribution System and in the open market; and
- (d) the remedial measures taken by Government to meet this shortage?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) The shortfall between domestic production and demand of sugar in the last 2008-09 sugar season and the current 2009-10 sugar season is the actual cause of hike in sugar prices in the country.

(b) The Central Government does not maintain stocks of sugar. Sugar stocks in the country consist of stocks with mills, wholesalers and retailers and importers of sugar in various States. As such, it is not possible to precisely estimate the stocks of sugar in the country, much less State-wise.

(c) and (d) There is adequate supply of sugar in the Public Distribution System as well as in the open market. The Central Government has already raised levy obligation on sugar factories from 10% to 20% with effect from 01.10.2009 for 2009-10 sugar season. Further, the Central Government has taken a slew of measures to augment domestic stocks of non-levy sugar and to check rise in sugar prices which, *inter-alia*, include permitting duty-free import of raw and white/refined sugar upto 31.12.2010.

Food security

959. SHRIMATI SHOBHANA BHARTIA: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether the Prime Minister has recently admitted that there was a false sense of security that availability of food has ceased to be a concern;
- (b) if so, whether in view of failure to provide food security, the price of foodgrains have increased;
- (c) if so, the facts thereof;
- (d) whether Government proposes to ensure food security to check spiraling prices as well as its availability to each needy; and
- (e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) to (e) Information is being collected and will be laid on the Table of the Rajya Sabha.

Payment of interest to sugarcane farmers in Haryana

960. SHRI SHARAD ANANTRAO JOSHI: Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether it is a fact that several thousand farmers in the area of Narayanganj Sugar

Mills in the State of Haryana have not been paid the amount of interest of over Rs. 12 crore payable on the delayed payment for the sugarcane they supplied to the mill in the year 2002-03 in accordance with the orders issued by the Supreme court of India; and

(b) if so, the measures that Government intends to take to accelerate the payment to the farmers and against the Sugar Commissioner who deliberately omitted to act on the explicit orders given by the Supreme Court of India?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) and (b) The Cane Commissioner, Government of Haryana has informed that there is no Sugar Mill under the name and style of Narayanganj Sugar Mills in Haryana. However, there is one Sugar Mills at Naraingarh with the name Naraingarh Sugar Mills Ltd. But there is no litigation about the payment of interest on delayed payment for Sugarcane supplied during 2002-03 crushing season. However, there was some dispute about the payment of interest on delayed payment for Sugarcane supplied during 2001-02 crushing season which was agitated in the Hon'ble Punjab and Haryana High Court through CWP 18943/2003. The Hon'ble High Court was pleased to direct the Cane Commissioner *vide* its order dated 30/07/2004 to "*determine the rate of interest objectively and expeditiously preferably within 3 months from the date of receipt of a copy of this order*". The Management of the Sugar Mills moved an SLP 18476/2004 which was dismissed on 22/8/2008. In compliance of the order *ibid*, the then Cane Commissioner *vide* his order dated 15/01/2009 passed a speaking order determining the rate of interest as 15% per annum payable to the petitioners (Ram Kumar, Sant Ram, Ram Karan, Ajmer Singh, Rohtas, Karam Singh and Ram Singh) for delayed payment of Sugarcane price for the Sugarcane supplied in 2001-02 crushing season.

The sugar mill issued a public notice in 'Dainik Jagran' on 03/04/2009 requesting the farmers to collect their payment by submitting their claims since no record was available for the period. The management of the sugar mill lodged a FIR no. 41 dated 26/04/2006 against the then General Manager u/s 406, 420, 467, 468 and 471 IPC. The case is still pending in the Criminal Court at Naraingarh. In spite of the public notice, the petitioners did not come forward to lodge their claims or collect their payment as intimated by the Management of sugar mill. The Management of Naraingarh Sugar Mills Ltd. has deposited Account Payees cheques in the office of SDM Naraingarh in favour of Sant Ram, Ram Singh, Ram Kumar and Ram Karan on 18/12/2009. The amount as mentioned by these four persons was taken as such as mentioned by them in their case in the High Court. However, the amount in case of Ajmer Singh, Rohtas and Karam Singh was not mentioned in the court case nor did they come forward to lodge their claim despite public notice. Hence, it was not possible to release their cheques.

The Cane Commissioner, Government of Haryana has directed the Management of the Naraingarh Sugar Mills Ltd. to issue one more public notice asking the four petitioners to collect

their cheques from SDM office and remaining three petitioners to submit their claims since no record of cane supplied during 2001-02 is available with the Management. Also, the Management has been directed to afford an opportunity to all the cane suppliers other than seven petitioners who supplied Sugarcane during 2001-02 crushing season to lodge their claims, if any.

Demand for ban on future trading

961. SHRIMATI JAYANTHI NATARAJAN : Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether there has been persistent demand for ban on future trading of wheat and other essential commodities in the country to contain their rising prices; and

(b) if so, the action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (PROF. K.V. THOMAS): (a) Yes, Sir. The Government has received representations to ban futures trading in Wheat and other essential commodities from a few organizations.

(b) The forward trading in commodities is a mechanism for price discovery and price risk management and not a mechanism to check price rise. The actual prices of the commodity are governed by physical demand and supply factors. The futures market only gives price signals for future periods of time based on the projections about the likely supply and demand situation at those points of time. This helps various stakeholders in various commodities, viz., farmers, producers, processors, exporters etc. to plan their production, marketing as well as to use futures markets to mitigate their price risks.

Government had set up a committee under the Chairmanship of Planning Commission Member Prof. Abhijit Sen to examine whether futures markets was responsible for rise in the prices of essential commodities. The Committee submitted its report in April, 2008. The Committee did not find futures market responsible for the increase of the prices of essential commodities. A study by the Indian Institute of management, Bangalore on Wheat, Rice, Tur, and Urad (around the same time) also did not find any influence of futures trading on the price rise in such commodities. The increasing convergence seen in the physical and futures prices of the commodities in the recent past is indicative of the fact that the futures prices have, by and large, been a correct barometer of the expected prices at a future point of time.

In view of the facts above, the Government is not in favour of imposing any ban on futures trading in any commodity. However, Forward Market Commission, the Regulator, takes decision from time to time about suspension of futures trading in specific commodity for specific period as a regulatory measure to meet emergent situation.

Misleading of students by educational institutions

962. SHRI AMAR SINGH: Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state: