

Production and requirement of Vanaspati

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SHRI KALI MUKHERJEE :

SHRI J. S. TILAK :

SHRI CHANDRA SHEKHAR :

SHRI A. G. KULARNI :

SHRI GURMUKH SINGH
MUSAFIR :

SHRI V. B. RAJU :

SHRI KRISHAN KANT :

Will the Minister of AGRICULTURE be pleased to state the production and requirement of vanaspati in the country during the last five years, year-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI B. P. MAURYA) : The required particulars are furnished below :

(Lakh tonnes)			
	Production	Estimated requirement	
1969	4.82	4.80	
1970	5.21	5.20	
1971	5.90	5.90	
1972	6.02	6.20	
1973	4.66	6.50	

DR. R. K. CHAKRABARTY : This should have been laid on the Table. We cannot memorize all these figures.

SHRI KALI MUKHERJEE : The production and requirement figures, as stated by the hon. Minister, should have been laid on the Table for our understanding. Nevertheless, whatever he has stated now, for a few years it is found that by and large the production and requirements are going close to each other, and there has been a real fall in the last year, particularly. What is the way they are thinking about for higher production in this material and proper distribution of the material, for the people and to the people ?

The question was actually asked on the floor of the House by Shri Kali Mukharjee.

SHRI B. P. MAURYA : The production of groundnut in 1971-72, which is the main base of the production of Vanaspati, was to the tune of 61.8 lakh tonnes; in 1972-73 it fell down to 39.2 lakhs—22.6 lakh tonnes less. This has its own effect in the production of Vanaspati. While, on the other hand, the imported oil has to play its own role in the production of Vanaspati, being the scarcity year all over the world, the position was also very difficult in the international market in the year 1972-73.

SHRI KALI MUKHERJEE : Have you ever thought that due to this less production and the high price at which it is available everywhere on blackmarket rates, substitute for vanaspati has also to be found out by research for substitute, alongwith proper distribution and not allow higher prices for this essential material of food stuff ?

SHRI FAKHRUDDIN ALI AHMED : May I answer this question ? The hon. Member is perfectly correct that production of vanaspati and oil has decreased because of less production of groundnut. The Ministry has, therefore, taken steps for the purpose of increasing production of sunflower and soyabean in the country and I hope it will produce results and it will be possible for us to get more oil through these two products.

SHRI KALI MUKHERJEE : When do you expect it to come in the market ?

SHRI FAKHRUDDIN ALI AHMED : Next year it will come. It was sown last year so far as sunflower is concerned and so far as soyabean is concerned, we are increasing its production.

SHRI J. S. TILAK : Vanaspati has gone underground and the prices have risen sky-high. Is it because of the shortfall in production or there are other reasons ?

SHRI FAKHRUDDIN ALI AHMED : So far as the price is concerned, I would like the hon. Member to remember that nearly 80 per cent of the constituent of Vanaspati is oil and if the price of oil increases, it naturally affects the price of

Vanaspatti also. Towards the end of December, so far as Bombay is concerned which is very close to Gujarat, the price of oil increased from Rs. 6300 to 8100 per tonne between the last week of the month of December and the first week of January and again because certain action had been taken by the Gujarat Government in not allowing the oil to go out of their State and they wanted to collect some sales-tax etc., and when this matter was brought to my notice, I took up the matter with that Government and I asked them not to impose this restriction, as a result of those things the prices went down some time in January, from Rs. 8100 to 7200. But even then the price of oil is higher than the price of Vanaspatti. Therefore, the price had to be increased.

SHRI A. G. KULKARNI : Sir, I appreciate when the Minister states that alternate sources are being developed but particularly I want to draw his attention to the fact that it is not only developing the alternative sources, it is the processing because I am also a sunflower grower. Now it is a new thing coming up in the country and sunflower has got a big potential but the processing activity has also to be matched with the crop ..

SHRI NIREN GHOSH : What are you not ?

SHRI LOKANATH MISRA : He says what are you not ?

SHRI A. G. KULKARNI : I am a grower. You see he is only creating chaos in the country; I am the man developing the country. That is the difference between me and him.

MR. CHAIRMAN : You cannot address him.

SHRI A. G. KULKARNI : I had to, Sir, because he addressed me.

MR. CHAIRMAN : You should have ignored it. You cannot address him.

SHRI A. G. KULKARNI : How can I say the same thing to you, Sir ? I know he wanted to create chaos. But I cannot say the same thing to you because you do not want to create chaos in the country.

Therefore, I want to know from the Minister particularly about the prices of Vanaspatti. The difficulty is we know there is shortage of production etc. In fact, the industries also use, particularly for soap these edible oils. So I want to know whether you have made any stringent punishment for utilizing these non-edible oils. We grow in this country 70 lakh tonnes of seeds which are utilized for non-edible oils, through Cottage and Village Industries Commission. I want a specific assurance from the Minister that this type of alternative sources will be used and that soap manufacture will be banned. Otherwise, this type of imbalance will always be created and the prices will go up.

SHRI FAKHRUDDIN ALI AHMED : It is true that we have to take various actions in various directions and I think the hon. Member will be pleased to hear that we are increasing the percentage of cotton seed oil also to be used in the manufacture of vanaspatti. Similarly, we are taking action to see that as far as possible less of this oil goes towards other things. For the process of sunflower also, we are taking steps.

SHRI V. B. RAJU : Sir, the estimated production capacity of vanaspatti by the end of the Fourth Five Year Plan, that is, this year, is 1.25 million tonnes, but the actual production is only 48 per cent of it. It is as low as 5,95,000 tonnes. The hon. Minister has stated that groundnut oil is mainly the feed for actual vanaspatti and that since its availability has been low, the production of vanaspatti has been affected. Sir, in the year 1973, the groundnut production was good. Shall I quote the price for the benefit of the Minister ? The price of edible oils have gone up by 49 per cent. Even as late as in December, 1973, over the price of December, 1972, the increase is 40.5 per cent in spite of very good production of groundnut in Gujarat. That

is one thing. Secondly, Sir, why the soya-bean oil which was being imported cut down by 50 per cent in 1972-73 as compared to 1971-72, knowing fully well that the edible oils are in short supply in the country and the prices are rising skyhigh? Why an effort has not been made at least to maintain the import level of 1971-72? Why did you cut down the imports? In spite of good production of groundnuts, the prices have been so high and in spite of high production capacity of vanaspati, the actual production has been 46 per cent. Will the hon. Minister explain these things?

SHRI B. P. MAURYA : Sir, the production of groundnut which is the main base for vanaspati was 39.2 lakh tonnes during last year, and this year, it is to the tune of 58 to 60 lakh tonnes. Sir, there is no doubt that the production of groundnut is to our satisfaction; it is very good. But, Sir, because of the forward trade in neem oil, this forward trade is being misused in this field also, and we have recommended to the Ministry concerned that this forward trade should be banned. Another reason had been the trouble in Gujarat because of the imposition of new sales tax. The transportation difficulty of groundnut from Gujarat to other States was there. Then, Sir, we got reports that some of the groundnut was smuggled out of the State. Because of these various reasons, in spite of the fact that the groundnut crop was very good, the prices did not come down in the market. Regarding production, another reason had been shortage of power and power cuts. The power cut had been to the tune of 50 to 75 per cent, varying from State to State. And the duration of power cut was also changed. And that was from three to eight months. Because of these things, the price could not be controlled.

SHRI V. B. RAJU : Why were the imports of soyabean oil cut down to 50 per cent?

SHRI B. P. MAURYA : As I stated earlier, the edible oil position in the international market was very very critical.

And the hon. Member knows better than myself about our difficult foreign exchange position.

SHRI KRISHAN KANT : Sir, Mr. Fakhruddin Ali Ahmed gave an example of sales tax and all that. The production of groundnut had gone up so high between 1972 to 1973 and the prices also rose, and smuggling took place. And for the first time in the history of the country, the production was going up but the vanaspati mills were closed down. It has happened. What was the MISA doing? What were the other Acts doing . . .

SHRI NIREN GHOSH : That is to suppress us.

SHRI KRISHAN KANT : What was the Government of India doing? If this phenomenon is taking place, you may not carry on. Previously, we were importing. Now, we have no foreign exchange. What have you been doing? How can you explain the comment that there has not been criminal negligence either on the part of the State Governments or on the part of the Central Government? Even after your instructions the prices came down only to the extent of Rs. 7 thousand and something and not less than Rs. 6 thousand and something, to which level it should have come down. How do you explain the whole phenomenon and how do you justify it before the people of the country?

SHRI FAKHRUDDIN ALI AHMED : Sir, as I have already pointed out, last year the production of groundnut had gone down to 22 lakh tonnes, but so far as 1973-74 is concerned, according to the estimates given the production is normal not that it will exceed but it is likely to be about 58 to 60 lakh tonnes. Gujarat is one of the States where most of these oilseeds are produced and naturally the action taken by the State Government had interfered with the free movement of oilseeds and oil from Gujarat to other States. When this matter was brought to my notice, I immediately contacted the Chief Minister and had a talk with him and he said that he was going to withdraw the order immediately. But, I am very sorry to say that

there was difference of opinion between him and the Finance Minister and it took them some time to withdraw the order and in the meanwhile there was this forward trading and so on and the result was that this thing happened. On account of this there was shortage of oil in Bombay and other places.

SHRI KRISHAN KANT: What about M.I.S.A.? Has many person been arrested

(Interruptions)

MR. CHAIRMAN: I will ask him. Shri Krishan Kant wants to know whether any action has been taken.

SHRI FAKHRUDDIN ALI AHMED: So far as forward trading is concerned, we drew the attention of the Ministry of Commerce to the illegal trading going on in groundnut and groundnut oil in the guise of neemseed and neem and desired them to ban its forward trading in all oilseeds and oils. Only after it is banned, will it be possible for us to take action.

श्री सूरज प्रसाद: श्रीमन्, ये जो वनस्पति आइल के कारखाने है, ये दो तरह के आइल तैयार करने है। जो वनस्पति आइल है वह कन्ट्रोल है और रेफाइनड ग्राउंडनट आइल अकन्ट्रोल है। क्या यह बात सही है कि ग्राउंडनट आइल, चूँकि जो वनस्पति आइल है उसके सेज और डिस्ट्रिब्यूशन पर कन्ट्रोल होने की वजह से उसका उत्पादन करने वालों को कम मुनाफा मिलता है, इसलिए उसको सबोटान करने के लिए उस ग्राउंडनट आइल को रिफाइन करके बड़े पैमाने पर तैयार करना आजकल शुरू कर दिया है, जो बाजार में आजकल अवैलेबल है।

श्री कालो मुखर्जी: पोस्टमैन ब्रैन्ड।

श्री सूरज प्रसाद: वह बाजार में आजकल अवैलेबल है और वनस्पति तेल बाजार में अवैलेबल नहीं है, तो क्या सरकार इस पर कोई रोक लगाएगी ताकि रेफाइनड ग्राउंडनट आइल तैयार न करके वनस्पति आइल तैयार करे और डिस्ट्रिब्यूशन पर जो सरकार का बिलकुल कन्ट्रोल नहीं है, सिर्फ

ग्राइम कन्ट्रोल है, उसका भी मजबूत करे ताकि जो कन्स्यूमर है उनको यह वनस्पति आइल ठीक ढंग से मिल सके?

श्री बी० पी० मौर्य: श्रीमन्, जहाँ तक हमारे मंत्रालय का संबंध है, आज की परिस्थितियों में केवल वनस्पति को ही कीमतों को निर्धारित करने है। जहाँ तक और तेलों का संबंध है उन पर कोई हमारा अंकुश नहीं है। वैसे आपने जो मुद्दा बतिया है इस पर विचार किया जा सकता है।

श्री सूरज प्रसाद: उसका कारण है कि वनस्पति आइल के सिर्फ प्राइम पर कंट्रोल है और बटवारा बतियों के हाथ में है जो चोराबाजारी करने है। तो क्या उनके हाथों में डिस्ट्रिब्यूशन पर भी कोई कन्ट्रोल होगा, यह जवाब नहीं दिया आपने।

श्री बी० पी० मौर्य: आज की परिस्थितियों में हम केवल वनस्पति की कीमत को निर्धारित करने है लेकिन फेयर डिस्ट्रिब्यूशन हो, ये जो बातें हैं इनके बारे में मंत्रालय विचार करता है, और करना रहता है।

SHRI SARDAR AMJAD ALI: Sir, I want to know whether it is a fact that sometimes this vanaspati is being manufactured out of mustard seed, and also the imported rape seed. But, the hon. Minister has said that the main base of vanaspati manufacture is this groundnut oil. I also want to know whether the groundnut production in the country is high enough so as not to require the use of mustard seed and rape seed for the manufacture of vanaspati because that will adversely affect the mustard industry in the country. I would like to know whether in view of this you have imposed any ban on the utilisation of mustard seed and rape seed for the manufacture of vanaspati.

SHRI B. P. MAURYA: Fifty eight lakh tonnes to 60 lakh tonnes is the expected production of groundnut. That is not very high but that is the expected production. So far as the question of ban on import is concerned, indirectly that comes to that because the international prices are going very high and we are facing a very difficult

situation, but when it becomes very binding and compulsory on the Government, we have to import.

SHRI SARDAR AMJAD ALI : My question probably has been misunderstood by the hon. Minister. My question is not on the imposition of a ban on import. My question is on the imposition of a ban on the use of mustard seed and rape seed for the manufacture of vanaspati.

SHRI FAKHRUDDIN ALI AHMED : The hon. Member perhaps is referring to what happened last year when there was a shortfall in the production of groundnut, and mustard and rape seed had to be utilised for the manufacture of vanaspati. But this year when the crop is good, we are not allowing the use of mustard seed and rape seed in the manufacture of vanaspati.

SHRI N. G. GORAY : *Ad nauseam* in this House whenever the question of scarcity is raised we are told that the ultimate solution of this problem is more production. Now we hear from the Minister that this year the groundnut production was of the order of 58 to 60 lakh tonnes and in spite of this fact that the production was good, we see this phenomena of prices rising and there is no control over the prices at all. I would like to know from the Minister what he expects from the people. All that he can expect is more production. The agriculturists give you more production and then you tell them that in spite of more production the prices go on rising. Why does he not tell us frankly that it was the erstwhile Chief Minister of Gujarat who indulged in some black practices—he allowed the black market to grow; he allowed smuggling to take place—and it is because of this particularly wrong and nefarious policy that they could not check the prices of vanaspati and oil?

SHRI FAKHRUDDIN ALI AHMED : It will not be fair to say that that was the only reason that the prices . . .

SHRI N. G. GORAY : So it is one of the reasons?

SHRI FAKHRUDDIN ALI AHMED : No, no. I have already stated that one of the reasons which was responsible for the increase in prices was the restriction on the movement of groundnut oil from one State to another. But, apart from that, the farmers were holding up the stocks in the expectation of getting higher prices later on because last year was a very bad year and there was shortfall in the production of vanaspati and there was hoarding at that level also. Indulgence in forward trading also was one other reason, against which also we were taking action. It was not for one reason but for several reasons that there was increase in prices.

MR. CHAIRMAN : Mr. Niren Ghosh, last question. Short one please.

SHRI NIREN GHOSH : I would like to know whether it is a fact that vanaspati was smuggled out to the Gulf countries by the Gujarat Government in large quantities and it was one of the reasons for the price rise. What is the cost of production of vanaspati in the factory? When the black market price per kilo is Rs. 12 to 14 and if there is a big gulf between the cost of production and sale price, the question arises: Why have you not taken over the entire stocks of vanaspati and distributed the entire stocks leaving a margin of, say, 10 per cent to the manufacturers?

SHRI LOKANATH MISRA : That they did last year.

SHRI NIREN GHOSH : And how could you, in this lean year, distribute vanaspati freely during the U.P. elections? Where from did you get it?

MR. CHAIRMAN : All right.

SHRI FAKHRUDDIN ALI AHMED : I think the hon. Member is suffering from the phobia of U.P. election but I can tell him that nothing was distributed during the U.P. election.

SHRI NIREN GHOSH : Sir, he has not answered my question. He took up the last part of the question only. I asked

whether vanaspati was smuggled in huge quantities to the Gulf countries because of higher prices.

SHRI FAKHRUDDIN ALI AHMED : The answer is no.

SHRI NIREN GHOSH : I asked what the cost of production of vanaspati was and if there is a big gap between the manufacturing cost and the ruling prices in the market, would you consider taking over the entire stock of vanaspati production and distributing it through Government agencies? This is a clear question.

SHRI FAKHRUDDIN ALI AHMED : I have already said that oil constitutes 80 per cent of the cost of vanaspati and if the price of oil is very high it cannot be expected that the price of vanaspati will be low.

SHRI NIREN GHOSH : Then would he take over? He should answer this question. This is very important. Does the Government consider taking over the entire stock of vanaspati production from the manufacturers and distributing it through Government agencies?

MR. CHAIRMAN : He has nothing to say about it.

श्री जगदीश प्रसाद माथुर : ये जो आंकड़े आप दे रहे हैं क्या ये सही हैं या सरकार इस बात की जांच कराएगी कि जो मिल उत्पादन करती है और जो आंकड़े सरकार को देती है वे सही उत्पादन के आंकड़े नहीं हैं, उत्पादन उममें कहीं ज्यादा है? यही कारण है कि आज बाजार में आपके कन्ट्रोल्ड डिस्ट्रीब्यूशन के अलावा बड़ी मात्रा में वनस्पति मिश्रता है लेकिन उसका भाव सरकार द्वारा निर्धारित भाव में अधिक है। इसलिए मैं सरकार से जानना चाहता कि कितना उत्पादन हुआ है और कितना डिस्ट्रीब्यूशन हुआ है इसकी जांच की सरकार ने कौन-सी व्यवस्था की है? जो ब्लैक में आता है और जो कन्ट्रोल भाव पर बिकता है उन दोनों में समन्वय रखने की दृष्टि से आप क्या कर रहे हैं? आप समय-समय पर भाव

बढ़ाने हैं, विशेष रूप में जो टाईमिंग आपने रखी कि बगान में काप्रेस का अधिवेशन हुआ उसके पहले भाव बढ़ाए और फिर उत्तर प्रदेश में चुनाव के बाद बढ़ाए—बीजन के समय बढ़ाए तब तो दूसरी बात है—काप्रेस के अधिवेशन के समय और चुनाव के समय भाव बढ़ाने का अर्थ यही लगाया जाता है कि मिल-मालिकों से आपका समझौता और मांडगाट है और उनके द्वारा जनता को आप लूटते हैं।

श्री बी० पी० सोयें : श्रीमन्, जहां तक माननीय सदस्य की मनगढ़न्त कहानियों का मवाल है उनका प्रश्न में कोई सम्बन्ध नहीं है। दो-तिहाई मिलें ऐसी हैं जो नार्मल कॉस में काम करती हैं यदि उनके प्रोडक्शन को देखें। जहां तक कीमतों का मवाल है, हमारा सम्बन्ध इतना ही है कि हम कीमत निर्धारित कर देते हैं। यदि ब्लैक में कहीं कहीं बिकना है और जब इसकी जानकारी हमारे पास आती है तो उममें कार्यवाही करते हैं। हम लोगों के सबंध में, संस्था या पार्टी के सबंध में माननीय सदस्य ने जो कहा है वह उनकी मनगढ़न्त कहानी है।

श्री जगदीश प्रसाद माथुर : कृष्णकान्त जी ने भी पूछा था। आप एक भी केस बना दीजिए जिसमें आपने कार्यवाही की हो।

MR. CHAIRMAN : Next question

Shortage of Fertilizers in Tamil Nadu

*103. **SHRI LOKANATH MISRA :**

SHRI K. C. PANDA :

SHRI DEBANANDA AMAT :

SHRI SUNDAR MANI PATEL :

SHRI K. P. SINGH DEO :

Will the Minister of AGRICULTURE be pleased to state :

(a) whether Government's attention has been drawn to a news-item which appeared in the 'Hindu' of December 26, 1973 to

†Transferred from the 25th February, 1974.

‡The question was actually asked on the floor of the House by Shri Lokanath Misra.