

[13 May, 2005]

RAJYA SABHA

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, I will finish in one sentence. We have furnished all the details like day, time, place, village and district. All particulars of those who have committed suicide have been submitted both to the Central Government and the State Government. Let them verify it at the earliest and see to it that compensation is paid to them.

SHRI JAIRAM RAMESH (Andhra Pradesh): Sir, we had a discussion on this issue. Repeated statements are being made on allegations. The fact is, *(Interruptions)* Please allow me to speak. *(Interruptions)*

MR. DEPUTY CHAIRMAN: No, no; please sit down. The matter would not be solved by levelling allegations and counter-allegations. *(Interruptions)* It would only be a satisfaction. *(Interruptions)*

SHRI RAVULA CHANDRA SEKAR REDDY: Sir, Shri Jairam Ramesh represents Andhra Pradesh. He should go to Andhra Pradesh. *(Interruptions)*

MR. DEPUTY CHAIRMAN: Mr. Reddy, you have mentioned it, and it will be taken note of.

SHRI JAIRAM RAMESH: Sir, no allegations have been made. The fact is...

MR. DEPUTY CHAIRMAN: Mr. Jairam Ramesh, that matter is over.

SHRI JAIRAM RAMESH: Sir, fourteen farmers... *(Interruptions)*

MR. DEPUTY CHAIRMAN: No, no; Mr. Jairam Ramesh, the matter is over. *(Interruptions)* Mr. Vijayaraghavan, you call the attention of the hon. Minister. *(Interruptions)* Mr. Jairam Ramesh, please take your seat. *(Interruptions)* Please do not react to that. We have moved to the next item.

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### **CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**Serious crisis faced by the cultivators of vanilla due to continuous  
fall in its price and remedial measures taken by the  
Government in this regard**

SHRI A. VIJAYARAGHAVAN (Kerala): Sir, I call the attention of the Minister of Commerce and Industry to the serious crisis faced by the

cultivators of Vanilla due to continuous fall in its price and remedial measures taken by the Government with regard thereto.

**THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH):** Mr. Deputy Chairman, Sir, during the year 2000, the FOB price of one kg. of cured Indian Vanilla was US\$ 31.99, equivalent to Rs. 1464.34 per kg. with corresponding green Vanilla price of Rs. 225.28 per kg., estimated. During 2001, a severe cyclone, called Huda, destroyed a substantial portion of vanilla cultivation in Madagascar which is the world leader in production of vanilla. This disrupted the global supplies not only for that year but also for the next three years as vanilla vines after re-plantation can be harvested for beans only after three years. From 2001 onwards, international vanilla prices consistently rose and reached unprecedented levels by 2003 crossing more than US\$ 500 per kg. with a corresponding increase in green vanilla prices, up to Rs. 3500 per kg. to Rs. 4000 per kg., in all countries, including India.

As production of vanilla normalised in Madagascar, world supplies came back to normal. Consequently, the prices have declined. During the 2004 crops season, both green vanilla prices and international prices for cured beans normalised and came down to pre-cyclone levels, which cannot be characterised as a 'sharp fall in the prices of vanilla'.

During 2004 crop season, green vanilla beans were sold in India at an average price of Rs. 275 per kg. compared to around Rs. 60 in Madagascar and Rs. 10 in Uganda.

However, the following steps have been taken by the Government to help vanilla farmers:

- \* Planting materials are supplied at subsidised cost with subsidy limited to 50 per cent of the cost of planting material subject to a maximum of Rs. 5 per planting material.
- \* Farmers are given assistance for setting up of on-farm vanilla curing units.
- \* Vanilla curing techniques are disseminated through CDs, printed booklets and training classes.
- \* Vanilla productivity awards are given to those who attain significant productivity levels.

- \* spices Board assists and encourages vanilla growers for value added exports.
- \* Organic vanilla growers groups were sponsored to the recently held Organic Fair at Nuremberg to display their products and interact with potential buyers.

SHRI A. VIJAYARAGHAVAN: Sir, I am very much thankful to the Chair for providing me this opportunity to raise a very important issue related to Vanilla farmers. Sir, Vanilla is a tropical orchid cultivated for its unique pleasant flavour usually added to ice cream, sweets, and most popular natural flavouring agents. Our Government is promoting export of agriculture. We are promoting horticulture. We are promoting non-foodgrain-agriculture for the improvement of the quality of the farming community and to enhance export income through the export of agriculture products. Sir, the Spices Board took the initiatives to promote agriculture of Vanilla. Increasing health awareness all around the world, preference for natural products and rapid rise in demand for processed food with new natural flavours had augmented the demand for Vanilla especially in the U.S. and the Uropean market. So, this has an increasing demand and the Spices Board took initiatives. It is a highly technical kind of agriculture. So, naturally, training is needed. Training has been given on various aspects of Vanilla farming such as hand pollination, hormone spraying, curring, processing of Vanilla beans, package and storage of Vanilla. A highly technical work is needed behind it. So, all this training had been provided by the spices Board. Investment in Vanilla cultivation is more than any other agriculture product. It needs lakhs of rupees per hectare. Not only lakhs of rupees, it needs high protection and day and night care. There may be all kinds of threats to Vanilla agriculture. In foreign countries, there would be armed people around vanilla plantation. In African countries, which are not so rich, people protect it with bows and arrows. Here also there is a threat of theft. Naturally these people have to spend more on protection, safety and security of vanilla cultivated area. It is highly technical and investment its cultivation is high. It also needs protection. The farmer has to get know-how and advice with regard to this highly technical cultivation. Regarding prices, I would submit that indian vanilla has been fetching around \$ 35 to 45 per kg. Export during February-April 2004-2005 dropped to 16.2 tonnes valued Rs. 23.1 crores. Last to last year, it was Rs. 24.49 crores. Last year Rs. 23.13 crores were earned by exporting vanilla. Naturally, the farmers were getting—here the

1.00 P.M.

statement also mention — nearly Rs. 4000 kg all over the world, including India. Now, there is a sudden fall in the price of vanilla from Rs. 4000 to Rs. 275 per kg. Here the Minister is explaining in his statement that it was because of international fall in prices and because of cyclone and other natural calamities, there has been a sudden increase in the prices of vanilla. I would not support the view expressed by the hon. Minister in his statment. Of course, there was a fall, but not to this extent. there is no need of any fall to this extent, that is, from Rs. 4000 to Rs. 275 per kg. I have taken two advertisement from Internet and one of them is related to Uganda regarding vanilla — featuring Government Vanilla Plutonian. It is with me. In which it has been mentioned that ... (*Interruptions*)...

MR. DEPUTY CHAIRMAN: Mr. Vijayaraghavan, please be brief.

SHRI A. VIJAYARAGHAVAN: Sir, since the Minister has given a statement, so I want to mention this part. It says, \$ 75.99 per kg. This advertisement is with me and I will hand it over to him. Actually, the situation is like this. There are four grades of vanilla, first grade, second grade, third grade and fourth grade. What is happening in India is that they are collecting the fourth grade only. If you go through the prices, — first grade — 90 per cent for the second grade, 30 per cent for the third grade and fourth grade means, it is less than 20 per cent of the total price. What is happening in India is that traders are purchasing the fourth grade of beans of vanilla and they are exporting the fourth grade. They are announcing the price of Indian vanilla as the price of the fourth grade vanilla. That is the thing. There is a conspiracy in announcing the price of the fourth grade vanilla at a reduce price. It has been announcing it in the international market as the price of the Indian vanilla. Naturally, the right of the farmer is being denied. That is happening. The Spices Board has a specific programme known as *flavourite*. — This *flavourite* is a specific programme by the Spices Board and it includes three items, namely, vanilla, pepper and the cardamom in packet. In the *flavourite* the announced price of vanilla is Rs. 17000 per kg. It is being sold by the Spices Board. They are permitting these things. Naturally, it means that there is every possibility of getting high price for the Indian vanilla rather than the price which has been propagated by the Spices Board. My charge with regard to spices Board is, the Chairman of the Spices Board is not taking interest for promoting cultivation and to safeguard the interest of the farmers. Sir, Spices Board had given an advertisement. Lakhs of rupees have been spent by the Spices Board to give an advertisement against the

interest of the farmer. Nowhere in India I have seen like this. Who has given this power to the Chairman? He is himself promoting and he is himself defending. Advertisement against the farmer is given in the newspaper continuously for one week. He had given advertisement in nearly six newspapers continuously throughout the country. I do not know the reason. Let them give an explanatory note or a Press Release. He is saying that there is a fall in the price, in the U.S. That is the reason and there are problems in the international prices. A list of explanations and statistics is given by the Chairman of the Spices Board. What was the demand of the farmer? You should not believe the truth. That is the thing. Untruth is being promoted by the farmers. What I am saying is, I would like to give it to the Minister to notice it. Unfortunately, in the Commerce Ministry, we have so many Boards—Spices board, Tea Board, Coir Board. What is the role of these Boards? I do not want to take the time; we will get an opportunity but the Minister has to be careful about that. That is my only request. These Boards are not promoting either the interest of the farmer or the country. It is a heaven for the senior IAS officer, who is the *Dev Indra* in heaven. If he wants to go to the Tea Board, the Coffee Board or anywhere, Boards Chairman are not...

MR. DEPUTY CHAIRMAN: Please conclude. we have other business also.

SHRI A. VIJAYARAGHAVAN: I owe an explanation from the Minister.

MR. DEPUTY CHAIRMAN: Okay, you ask the explanation.

SHRI A. VIJAYARAGHAVAN: Similarly, when they gave the advertisement in the newspapers they had taken a selective part. There is some vanilla from a country known as Polynesia. They did not mention that place. They had given the information from a specific website in which they had given the price of India, they had given the price of Madagascar but they did not give the price of Polynesian vanilla because the Polynesian vanilla price was nearly about 135 US dollars.

MR. DEPUTY CHAIRMAN: You have taken about twenty minutes to explain.

SHRI A. VIJAYARAGHAVAN: My demand is, the Central has to intervene. The Spices Board should be the facilitator for the farmer, not an executor. So, I hope the Minister will see because the farmers are losing lakhs of

rupees. Middlemen are predators and they are waiting for taking crores of rupees from the blood of the poor farmers. So the farmers' interest have to be safeguarded. The Minister has to give some assurance to the farmers. The farmers are waiting for an assurance. I hope, through this discussion, the Minister will give some assurance which will safeguard the interest of the farming community of vanilla.

MR. DEPUTY CHAIRMAN: Mr. N.K. Premachandran. I think Mr. Vijayaraghavan has spoken in detail. There is nothing more for you to speak.

MR. DEPUTY CHAIRMAN: Hon. Members, now, it is 1 o'clock. Today is the last day of the Budget Session. And, we have still some government Business to be taken up. At 2.30 pm we have the Private Members' Business. that is why I would like to take the sense of the House whether we can dispense with lunch hour to take up the Government Business.

HON. MEMBERS: Agreed, Sir.

MR. DEPUTY CHAIRMAN: Okay. Now, Mr. Premachandran.

SHRI N.K. PREMACHANDRAN (Kerala): Sir, I take this opportunity to thank the hon. Shri Vijayaraghavan for calling the attention of the hon. Minister to the problems being faced by Vanilla cultivators.

Sir, Vanilla cultivation has increased in our country only because of the distress in other crops, specially coconut, rubber and other cash crops. If you look at the production of Vanilla, it has increased from 60 tonnes in 2001-02 to 133.62 tonnes in 2003-04. That means, there is an increase of 55 per cent of Vanilla production in our country. The farmers, especially coconut growers as well as rubber growers, due to steep decline in the price of these cash crops, have switched over to Vanilla which is also a cash crop. The decline in the prices of Vanilla is creating a grave concern among the farmers of our country. This had happened several times earlier. We had the experience of coco plantation. Even at that time the price was suddenly increased and the farmers, by cutting rubber and coconut trees, started cultivation of coco. The same thing has happened to Vanilla also. The price of Vanilla has come down from Rs. 3,000 to Rs. 300. The point on which we have to focus here is the activities of the Spices Board. As has been stated by Shri Vijayaraghavan, an utter confusion has been created among the farmers. Now, the struggle

is between the Spices Board and the cultivators of Vanilla. The Spices Board is promoting Vanilla cultivation. Unfortunately, this board is taking a stand which is against the interests of the farmers. This is the apprehension that the farmers have in their mind throughout the State. There is no proper assessment regarding the price of Vanilla in the international market. Whose duty is this? The Spices board has to look into it. I am not going into the statement made by the hon. Minister since time at my disposal is very limited. It is stated in the statement, 'due to some natural calamities the took place in Madagascar.' That is the reason why the demand was high as there was no production in Madagascar. Now the price has come down because their production has increased. Through this might be the reason, these poor farmers. Who have invested a lot of money in Vanilla cultivation, should be given a timely advice and guidance with regard to international market fluctuations. But that has not been done. That is the main reason behind these huge losses being suffered by vanilla cultivators. A mention has also been made about the advertisement. This point has to be cleared by the hon. Minister. There is also an apprehension that he is also supporting in a way the decline in the prices—maybe, he might have said it in other sense—and he is finding fault with farmers saying that they have suddenly switched over to this crop. This point has to be clarified. The cultivators of Vanilla are facing some problems because of some reasons. The reasons are: There is no appropriate technology for growing and processing Vanilla. This lacuna is the main problem to which I would like to draw the attention of the hon. Minister. There is lack of market information. There is lack of research effort on this. So, these are the stumbling blocks in the development of Vanilla cultivation as an alternative crop in our country.

[THE VICE-CHAIRMAN (SHRIMATI SARLA MAHESHWARI) in the Chair]

Therefore, Madam, I would like to urge upon the hon. Minister that since it is an export-oriented, disease-free and economically viable crop, initiative have to be taken by the Spices Board and the congestion in the market cleared so that farmers get a better price. I also request the Minister to stabilise the price first. The initiatives have to come from the Spices Board for proper guidance and advice. I request the hon. Minister to direct the Spices Board in this respect. The Government and the Ministry

of Commerce have to intervene in this issue and protect the interests of the farmers. That is my submission. Thank you.

**प्रो० राम देव भंडारी (बिहार) :** उपसभाध्यक्ष महोदया, मंत्री जी ने अपने बयान में कहा है कि वर्ष 2003 में वनीला की अंतर्राष्ट्रीय कीमत 500 डॉलर प्रति किलोग्राम को पार कर गई थी .... (व्यवधान) .... मैं आप लोगों का आभारी हूँ, विशेषकर के दक्षिण भारत के राज्यों के रहने वाले जो किसान हैं, कि वनीला जैसे स्वादिष्ट और सुगंधित उत्पाद आपके यहां होता है। यह वनीला सिर्फ आपको ही नहीं, बल्कि पूरे देश को एक स्वादिष्ट और सुगंधित सुगंध देता है। इसलिए मैं आप लोगों का आभारी हूँ, मगर जो किसान इतना सुगंधित और स्वादिष्ट उत्पाद कर रहा है वनीला का, उस किसान की आज हालत अच्छी नहीं है। वह किसान बहुत दुखी है और आर्थिक रूप से एक तरह से जर्जर हो गया है।

महोदया, वर्ष 2003 में जहां इसकी कीमत 3500/-रुपए, 4000/- रुपए किलोग्राम तक थी, वह घटकर अब 275/- रुपये पर आ गई है। इसके लिए कोई डोमेस्टिक मार्केट नहीं है या उनके एक्सपोर्ट प्रमोशन का कोई काम नहीं हो रहा है। आपने यहां कहा है कि स्पाइसेस बोर्ड जो है, वह कुछ स्कीमें, कुछ प्रोग्राम उनके लिए कर रहा है, मगर उनका लाभ उन तक नहीं पहुंच रहा है। मैं जानना चाहता हूँ कि इस प्रकार का जो प्राइस फ्लक्चुएशन हो रहा है कि 3500/- रुपये से 275/- रुपए पर आ गिरता है, तो क्या कोई मिनिमम सपोर्ट प्राइस आप उनके लिए रखेंगे? दूसरी बात यह जानना चाहता हूँ कि क्या आपने कोई सर्वे कराया है कि एक एकड़ में किसान की कितनी लागत होती है और उस लागत के बाद उसको उसमें कितना मुनाफा होता है? इसका सर्वे अगर आपने कराया है और अगर लगता है कि वह घाटे का उत्पादन हो रहा है, तो इसकी पूर्ति के लिए, या इस उत्पाद को बचाए रखने के लिए, किसानों की दशा सुधारने के लिए, उसे आर्थिक रूप से नुकसान न उठाना पड़े, इसके लिए आप सरकार की ओर से क्या इनसैटिव दे रहे हैं? स्पाइसेस बोर्ड और भी मुस्तैदी से काम करे, वह भी आप देखें और जो आज किसानों की दुर्दशा है, जो हालत है, उसे ओर भी आप देखें। कहीं ऐसा न हो कि एक दिन किसान यह वनीला का उत्पादन करना ही छोड़ दे। ऐसी स्थिति न आए, जिससे यह सुगंधित पदार्थ, यह सुगंधित उत्पाद, जो पूरे देश में सुगंध फैला रहा है, वह बंद हो जाए। धन्यवाद,

**SHRI KAMAL NATH:** Sir, I thank the hon. Members for raising this issue. Certainly, this is a matter of concern that prices of vanilla have fallen. It is a fact. There is no going away from this. But I feel distressed when the hon. Members say that I am not recognising the farmers distress. It is only in recognition of that distress that we are having this Calling Attention Motion, today, in this House.



Sir, before we go into the question of whether the Spices Board is doing anything or not, I think, we need to understand the scenario of vanilla in India, and also in the world. I have mentioned in my statement that there was a cyclone in Madagascar. Madagascar is the largest producer of vanilla in the world. The prices -- the pre-cyclone prices and the post-cyclone prices -- are known facts. These are not the facts that the Spices Board has provided. These are all freely available on the net. Today, international prices for years are available on the net. It is not a question whether the Spices Board is leading or misleading. The information on prices gives a very revealing picture. And, in fact, that clearly demonstrates that prices of vanilla went up worldwide because of the cyclone in Madagascar, which is by far the largest producer of vanilla in the world. This encouraged farmers, rightly so, to take advantage of the situation. The Indian production in 2001-02 was only 60 tonnes. But, after the cyclone, people started planting vanilla. They took loans, as my friend said, because vanilla is not a simple thing to cultivate. All types of arrangements have to be done, including electric fencing, etc., etc. So, farmers got into this. It takes three years from planting of vanilla till it is ready. So, whereas the production was only 60 tonnes in 2001-02, it went up to almost four times, that is, 240 tonnes, in 2004-05. But, Sir, the cyclone came and went. Madagascar also replanted vanilla. And after they replanted, the Madagascar production has come back into the global market. And, now, having come back into the global market, the artificiality of prices, which rose because of the cyclone and compression in supply, is no more there. So, there prices have fallen. What was the price before the cyclone? Before the cyclone, if we see the prices, it gives a very revealing situation. It gives a revealing situation because the price of green bean was at its peak. Before the cyclone, it was Rs. 250/. When the cyclone came, it went up to Rs. 2000/. Whereas cured beans are concerned, it was Rs. 1500. This went to Rs. 12,000/- because of the cyclone. Similarly, for Vanillin the price had a consequent rise and a commensurate decline. Sir, the question is, with this increased production. The world prices today, which are prevailing, are they the real prices? If we see the import prices in the United States; the prices which were there every since May onwards, we will find that there has been a sharp decline. So, Sir, the real question which arises is, are the present level of prices the real prices, or, are they the artificial prices? We had two years and two-and-a-half years of artificial prices. Now, Madagascar is back in business. We have also increased our

production by four times. I am sure, hon. Members will not dispute that our production has increased. Madagascar is back to producing what they used to. So, we are confronted with the situation of increased production in India, and a global increase in production because Madagascar is now producing what they always did. Sir, what I am informed is, even at the present levels of prices -- my hon. friend, प्रो० राम देव भाई, ने पूछा था कि क्या ऐसी कोई जांच या मूल्यांकन किया गया है कि हमारे किसानों का वनीला का जो यील्ड है, उससे उनको मुनाफा होता है या नुकसान होता है? यह किया गया है और इसमें यह बात स्पष्ट है कि आज के मूल्य पर भी किसान की इतनी गंभीर स्थिति नहीं है, आज भी उसको प्रॉफिट होता है Even, today, he gets a profit. Certainly, he does not get the profit, which was the post-cyclone profit. But the Vanilla farmer still has a profit; he still gets profit. You can correct me. I am giving you facts. So, the question is whether Vanilla farming production, which has increased four times, is sustainable. Sir, the sustainability of it, again, depends on total production. Natural Vanilla is competing with synthetic Vanilla. This is another big problem. And the gap in prices between synthetic Vanilla and natural Vanilla is one hundred times. So, if we try and look at it as to what the gap is, we find that the total synthetic vanilla output is 550 tonnes. If we have to replace this--this is the demand in India, even for Indian demand, our Indian production is only one per cent—we will need one lakh tonnes. So, one, there is a big price gap, and secondly, there is a big production gap. So, the long-term answer in it lies on the convergence of price between synthetic vanilla and natural vanilla. This convergence of price has to happen. The higher the price of natural vanilla goes, the synthetic vanilla becomes more attractive economically. The smell, tests, flavour, these are all very well. But if you pay hundred time more, I am afraid, nobody is going to pay for that taste, smell, flavour one hundred times more. That is also a fact. So, Sir, we do have concerns on this. I would only like to say that I have not read that Spices Board advertisement which the hon. Members mentioned about, because it is in Malayalam, I can't read it. But, I presume from the translation he made and what he said that they have warned the farmers that prices are going down. Sir, the intention of this advertisement, as I have been informed, was only to inform farmers, because the Spices Board learnt that they were being advised, 'hold on to your stocks, prices may rise'. Now, some farmers held on to their stocks for one year but the prices fell, So, they could not get the price which they would have got by selling in the year. And, when they sold after some

time, they had to sell at a lesser price. So, they had bigger loss. So, this was exactly what the Spices Board was attempting to do, that is, to tell the farmers that international prices are going down. Sir, today, Kerala is the largest producer, Kerala is one of the most enlightened States. They all have access to everything on the Net. World prices, the movement of world prices, what is happening all over the world, what is the demand of the world, etc. all this is available on the net. And, I am sure, farmers are now alive to this situation of increased production and falling prices. The Government has taken some steps for enlightening farmers, for advising farmers, and which the Government of India will continue to do, I will be happy if there is any specific suggestion ...*(Interruptions)*..

SHRI A. VIJAYARAGHAVAN: Call a meeting ...*(Interruptions)*..

SHRI KAMAL NATH: Sir, I will be very happy to take a meeting myself, as per the hon. Members' convenience. We can have a meeting, whoever likes to participate, can come. We will also call some of the growers' representatives. I request the hon. Members, who would like to participate in this, to submit a mutually-settled date, and very shortly, we can have a meeting on this.

उपसभाध्यक्ष (श्रीमती सरला माहेश्वरी) : धन्यवाद मंत्री जी। मैं समझती हूँ कि माननीय मंत्री जी के उत्तर के बाद हमारे सभी माननीय सदस्य संतुष्ट होंगे। मैं उनका धन्यवाद करती हूँ, और अब हम The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill, 2005, बिल लेते हैं। Shri Natwar Singhji to move a Motion for consideration of the Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill, 2005. Shri Natwar Singhji.

#### GOVERNMENT BILL

### **The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Bill, 2005**

THE MINISTER OF EXTERNAL AFFAIRS (SHRI K. NATWAR SINGH):  
Madam, I beg to move:

"That the Bill to prohibit unlawful activities, in relation to weapons of mass destruction and their delivery systems and for matters connected therewith or incidental thereto, as passed by Lok Sabh, be taken into consideration.