

**GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA**

UNSTARRED QUESTION NO:5077

ANSWERED ON:20.12.2002

BUFFER STOCK OF SUGAR

AMBATI BRAHMANAIAH;MANSINH PATEL;SHIVAJI MANE;YEMPARALA VENKATESWARA RAO

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

- (a) whether funds are likely to be drawn out of Sugar Development Fund for the creation of buffer stock of sugar;
- (b) if so, the details thereof;
- (c) whether there is enough storage capacity for stocking this sugar;
- (d) if so, the details thereof, State-wise; and
- (e) the extent to which this will solve the problems facing the sugar industry?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

(a)&(b): In order to mitigate the hardship of the sugarcane growers, Government has decided to create a buffer stock of 20 lakh tonnes of sugar for a period of one year. This will involve an outgo of Rs.412 crore from the Sugar Development Fund. An additional amount of Rs.374 crore would be released by bank on account of the buffer stock. These funds of Rs.786 crore will be used exclusively by sugar mills for payment of cane price dues to sugarcane growers for which the required legal rules are already in place.

(c)&(d): As per the Sugar Development Fund Rules, 1983, the buffer stock of sugar is to be stored in separate and distinctively identifiable stocks and lots and in separate godowns within the premises of the sugar undertaking. The sugar mills have enough storage capacity for stocking the buffer stock quantity to be allocated. Information on storage capacity of sugar mills State-wise is not available.

(e): The payment made from the Sugar Development Fund for maintenance of the buffer stock will be used exclusively for payment of the cane price dues to sugarcane growers and will to this extent mitigate the hardship of the sugarcane growers and the problems facing the sugar industry.