

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:738
ANSWERED ON:03.03.2008
SUGARCANE LOSSES
Ahir Shri Hansraj Gangaram

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the sugarcane farmers are facing great hardships due to depressed prices and a big portion of their produce lying unprocured with them after a bumper crop during the current year;
- (b) if so, whether any assessment has been made in this regard;
- (c) if so, the details thereof and the remedial steps being taken by the Government to procure the entire produce of the sugarcane farmers and ensure remunerative price to them; and
- (d) the other steps being taken by the Government to mitigate the problems of sugarcane farmers?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a) to (c): The all time high sugar production and sugar inventory in the last sugar season 2006-07 and anticipated high sugar production for the current sugar season 2007-08 has resulted in decline in sugar prices in the domestic market which restrained the capacity of the sugar mills in making timely payment of remunerative price of sugarcane to the cane growers.

(d): Government has taken a number of steps to help the sugar industry and sugarcane farmers. These include:

A buffer stock of 20 lakh tonnes has been created for a period of one year from 01.05.2007 to 30.04.2008 and additional buffer stock of 30 lakh tonnes has been created for a period of one year from 01.08.2007 to 31.07.2008.

Export assistance is also being provided to defray expenditure on internal transport, marketing and handling charges and ocean freight @ Rs.1350 per ton for sugar factories located in coastal states and Rs.1450 per ton for sugar factories located in non-coastal states (subject to actuals for export by road/rail to neighbouring countries) for a period of one year with effect from 19th April, 2007.

The requirement of obtaining release orders for the purpose of export has been dispensed with effect from 31st July, 2007 till 30.09.2008. This would help the sugar factories to undertake exports expeditiously and improve their liquidity position.

A decision has been taken to extend the moratorium on outstanding term loans as on 01.04.2005 announced in September, 2005 for co-operative sugar factories, from 2 years to upto 5 years and to include cooperative sugar mills, not included in the earlier package, for availing the benefits of the earlier package.

The Central Government has decided to give loans from the banks to the sugarmills – private, public and cooperative sector under a special scheme titled 'Scheme for Extending Financial Assistance to Sugar Undertakings – 2007'.