

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

UNSTARRED QUESTION NO:4532
ANSWERED ON:07.12.2010
LOANS FOR SUGAR MILLS
Rane Dr. Nilesh Narayan

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

- (a) the number and details of applications received from sugar factories approved and sponsored by the State Governments including Maharashtra for grant of loans alongwith the current status of these applications;
- (b) whether the benefits of sugar development fund are extended to the Sugarcane growers, also; and
- (c) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a): Applications from 81 sugar factories for sanction of Cane Development loan were received from the State Governments (including the State of Maharashtra) duly recommended during 2009-10 and 2010-11 (upto 30.11.2010). Details alongwith current status are given in the Annexure.

(b) & (c): As per SDF Act 1982 and Rules made there under, Cane Development loans are given to sugar factories for various purposes, including for rearing of seed nursery, incentive to cultivators to switch over to improved varieties, ratoon management, irrigation schemes etc. in their assigned cane areas. Cane growers are indirect beneficiaries of such loans.

A Short Term Cane Development SDF loan scheme was announced during July, 2009 for purchase of seed, fertilizers and pesticides. The loanee sugar mills were required to pass on the loan in cash or kind to the sugarcane growers within stipulated period.

SDF Rules also provide for defraying expenditure on internal transport and freight charges on export shipment of sugar to sugar mills. The amount received by the sugar factories in this regard was required to be utilized for making payment of cane price arrears for the sugar seasons 2006-07 and 2007-08. Further, the Central Government notified 'Scheme for extending financial assistance to sugar undertakings 2007' on 07.12.2007 providing for interest subvention on loans taken by sugar factories for paying cane price arrears to farmers. This helped payment of cane arrears of 2006-07 and 2007-08 sugar seasons by sugar mills to sugarcane farmers.