

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

UNSTARRED QUESTION NO:5332
ANSWERED ON:06.09.2011
ACCUMULATION OF SUGAR STOCKS
Swamygowda Shri N Cheluvarya Swamy

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

- (a) whether the sugar mills are becoming sick and are unable to pay the sugarcane dues to the farmers on account of accumulation of sugar stocks during the last two years and the current year;
- (b) if so, the details thereof indicating the quantum and value of sugar stocks held by these mills, State-wise;
- (c) whether the Government has formulated any plan to export such stocks and create liquidity in the sugar sector;
- (d) if so, the details thereof; and
- (e) the steps taken to ensure remunerative price to sugarcane farmers in the country?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (PROF. K.V. THOMAS)

(a) & (b): No Madam. As per the latest position available for the fortnight ending 15.06.2011, out of total cane price payable of Rs. 42563.90 Crores for sugarcane for the sugar season 2010-2011, an amount of Rs. 40907.90 Crores has been paid upto 15.06.2011, leaving a balance of Rs. 1656.01 Crores, which is only 3.89 % of the total cane price payable.

(c) & (d): During the current sugar season 2010-2011, the Central Government has allowed export of 26.18 lac tons of sugar under various categories to augment the liquidity of the sugar factories, and to enable them to settle cane price dues/arrears, speedily.

(e): The Central Government has introduced the concept of Fair and Remunerative Price (FRP) in case of sugarcane, from 2009-10 sugar season, in place of Statutory Minimum Price (SMP), which is in fact a big step forward as it ensures upfront payment towards margins on account of profit and risk to sugarcane farmers on the cost of production and transportation of sugarcane. FRP of sugarcane is the floor price below which no sugar factory can purchase sugarcane from farmers. Besides, there is a concept of State Advisory Prices (SAP) of the sugarcane in a few States and SAPs are invariably higher than the FRP.