

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

UNSTARRED QUESTION NO:3313

ANSWERED ON:17.03.2015

REVAMP OF EBP

Chaudhary Shri P.P.;Kesineni Shri Srinivas;Sigrwal Shri Janardan Singh

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

(a) whether the Government has formulated any scheme/action plan including revamp of the Ethanol Blending Programme (EBP) to improve the conditions of the sugar mills and tackle domestic surplus production of sugar;

(b) if so, the details thereof and the steps taken thereon; and

(c) the steps taken/proposed to be taken to ensure better flow of funds to the sugar mills and to pay off the remaining amount of the sugarcane arrears?

Answer

MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI RAMVILAS PASWAN)

(a)&(b): The Government has modified the policy for procurement of ethanol under the Ethanol Blending Programme (EBP) which provides for a new process that smoothenes the entire ethanol supply chain and fixes the ex-depot price of ethanol in the range of Rs 48.50 to Rs 49.50 per litre. Further, the incentive scheme for marketing and promotion Services of raw Sugar production targeted for export has been extended for current sugar season 2014-15 at uniform rate of Rs. 4000 per MT for a quantity of 14 lakh MT. These measures are likely to help in evacuation of surplus sugar from the country and improve the financial condition of sugar mills.

(c): Apart from modified EBP programme and export incentive scheme referred to in reply to part a) & b) above, a Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) has also been notified on 3.1.2014 to facilitate clearance of cane price arrears of previous sugar seasons and timely settlement of cane price of sugar season 2013-14 to sugarcane farmers. The scheme envisages additional working capital loans to sugar mills by banks with interest subvention.