

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

UNSTARRED QUESTION NO:190

ANSWERED ON:21.07.2015

Interest Free Loan to Sugarcane Growers

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

- (a) the quantum of sugarcane dues outstanding against sugar mills, State-wise;
- (b) whether the Government has approved any scheme to provide assistance to the sugar industry including interest free loans/subsidy to enable them to repay the outstanding dues and revive the industry;
- (c) if so, the details thereof indicating the terms and conditions fixed therefor along with the number of farmers likely to be benefited therefrom;
- (d) the details of the similar assistance provided during the last three years;
- (e) whether requests have been received from the States including Karnataka for providing subsidy to clear sugarcane dues, if so, the details thereof and the response of the Government thereto; and
- (f) the steps/measures proposed to improve viability of the sugar industry and ensure remunerative price to the farmers?

Answer

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

(a): A statement showing State-wise, quantum of sugarcane dues in the country (as on 30.06.2015) is at Annexure-I.
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(b)&(c): Yes Madam. The Central Government has notified a scheme on 23.6.2015 envisaging soft loan worth Rs. 6000 crore to sugar mills to facilitate clearance of cane price arrears of current sugar season 2014-15. Interest subvention worth Rs. 600 crores during moratorium period of one year would be borne by the Government. Sugar mills which have cleared at least 50% of the cane price(calculated on the basis of FRP) payable for current sugar season 2014-15 by 30.06.2015 and have at the least undertaken sugar production in the sugar seasons 2013-14 and 2014-15 would be eligible for loan under the scheme. It is not possible to indicate the number of farmers to be benefited as the same will depend upon the number of sugar mills that avail the benefit of the scheme.

(d): A Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU-2014) was notified on 03.01.2014 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 envisaged additional working capital to sugar mills by banks with interest subvention to be borne by the Central Government. The Government also notified a scheme on 28.02.2014 allowing the incentive for marketing and promotion services of raw sugar production targeted for export during sugar season 2013-14 which was further extended to sugar season 2014-15. The incentive amount are to be used for clearance of cane price dues of cane growers.

(e): Requests for creation of a Sugar Price Stabilization Fund to provide subsidy to meet the difference between the FRP of sugarcane and the price arrived through revenue sharing formula recommended by Dr. C. Rangarajan Committee, have been received from some States including Karnataka. However, such proposal is not under consideration of the Government.

(f): Policy for procurement of ethanol under the Ethanol Blending Programme (EBP) has been modified 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. It has also been decided to waive central excise duty on ethanol supplied to Oil Marketing Companies (OMCs) by sugar mills for EBP in the ensuing sugar season 2015-16. The new policies seek to promote production of ethanol and its enhanced supplies under EBP which would help mitigate liquidity crisis of the sugar industry thereby enabling them to make timely payment of cane dues of the farmers.
