

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:305

ANSWERED ON:11.08.2015

Production of Sugarcane

Ajmal Maulana Badruddin;Shirole Shri Anil

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether there has been a significant increase in the production and productivity of sugarcane in the country during each of the last three years and the current year, if so, the details thereof, State-wise;
- (b) whether demonstrations and extension works were carried out under the Sustainable Development of Sugarcane Based Cropping System for improving production and productivity of sugarcane and farmers imparted training and if so, the outcome thereof;
- (c) the funds/incentives given to the States for the promotion of sugarcane cultivation and improving the condition of sugarcane farmers during the above period, State-wise;
- (d) whether the sugarcane farmers are reportedly not getting remunerative price for their produce; and
- (e) if so, the details thereof and the reasons therefor along with the remedial measures taken by the Government in this regard?

Answer

MINISTER OF AGRICULTURE

श्री राधा मोहन सिंह (SHRI RADHA MOHAN SINGH)

(a) to (e): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 305 DUE FOR REPLY ON 11TH AUGUST, 2015.

(a): Depending upon yearly variations in the area coverage due to comparative profitability of other competing crops and productivity on account of rainfall situation, weather conditions, availability of water in reservoirs, irrigations facilities, use of quality inputs and modern farm practices, etc., the State-wise production and productivity of sugarcane in the country during last three years and the current year, i.e., 2011-12 to 2014-15 has been varying. However, after a marginal decline from all time record production of 361.04 million tonnes in 2011-12 to 341.20 million tonnes in 2012-13, the production and productivity of sugarcane in the country has followed an increasing trend. State-wise details of production and productivity of sugarcane in the country from 2011-12 to 2014-15 are given at Annexure-I.

(b): To enhance production and productivity of sugarcane in the country, the Government implemented Sugarcane Development Programme under the Centrally Sponsored Scheme of "Sustainable Development of Sugarcane Based Cropping System (SUBACS)" as a component of Macro Management Mode of Agriculture (MMA) Scheme upto 2012-13. During 2013-14, the Scheme was shifted under Rashtriya Krishi Vikas Yojna (RKVY). The SUBACS aimed at transfer of improved production technology to the farmers through field demonstrations, training of farmers, supply of farm implements, enhancing production of planting materials, efficient use of water, treatment of planting materials etc.

From 2014-15, Government of India has been implementing Sugarcane Development Programme under National Food Security Mission-Commercial Crops (NFSM-CC) in the states of Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Punjab, Telangana, Tamil Nadu, Uttarakhand and Uttar Pradesh. Under this scheme, assistance is provided for demonstration on inter-cropping and single bud technology of Sugarcane, demonstration on use of tissue culture seedlings/plantlets, strengthening/establishment of tissue culture and bio-agent laboratories, national and State level trainings, etc.

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To empower farmers with the latest knowledge/information on agriculture and train them for improving production and productivity of agricultural crops including sugarcane, the Government has adopted a multi-tiered extension strategy, which includes; (i) Support to State Extension Programmes for Extension Reforms (ATMA); (ii) Mass Media Support to Agricultural Extension and Focused Publicity Campaigns; (iii) Agri-Clinic and Agri-Business Centres; (iv) Kisan Call Centres; (v) Information dissemination through Agriculture Fairs; and (vi) Kissan SMS Portal.

As a result of above initiatives, total production of sugarcane in the country since 2010-11 has been maintained at around 340 to 360 million tonnes, despite drought conditions in different parts of the country during 2012-13 and 2014-15.

(c): State-wise details of funds allocated under the Schemes/Programmes for promotion of sugarcane cultivation and improving conditions of sugarcane farmers in the country during 2011-12, 2012-13 and 2014-15 are given at Annexure-II. The programme for production/development of sugarcane in the country during 2013-14 was part of Rashtriya Krishi Vikas Yojna (RKVY). As State

Governments have flexibility to utilize RKVY funds for various projects approved by State Level Sanctioning Committee (SLCC), State-wise details of allocation for production/development of sugarcane during 2013-14 are not available separately.

(d) & (e): Based upon the recommendations of Commission of Agricultural Costs & Prices (CACP), the Central Government fixes Fair & Remunerative Price (FRP) of sugarcane for each sugar season below which no sugar mill can purchase sugarcane from farmers. While recommending FRP for sugarcane, the CACP takes into account cost of production of sugarcane as one of the most important factors besides demand and supply, trend in market prices of sugar, inter-crop price parity, likely impact on consumers etc. As indicated in the

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following table, the FRP of sugarcane fully covers all paid out cost of production and imputed value of family labour:

(Rs./Quintal)

Sugar Season Cost of Production

A2+FL FRP

2013-14 120 210

2014-15 129 220

2015-16 140 230

Note:1. A2+FL: Paid out cost inclusive of family Labour.

2. Paid out cost covers the cost on account of all inputs like human labour, bullock labour, machine labour, seeds, fertilizers, manure, insecticides, irrigation charges.

In addition to above, to safeguard interest of farmers, Sugarcane (Control) Order, 1966 stipulates payment of cane price within 14 days of supply, failing which interest at the rate of 15% per annum on the amount due for the delayed period beyond 14 days is payable. However, as surplus production in the last four sugar seasons coincided with global surpluses, sugar prices in the country have remained subdued, affecting the financial health of the sugar mills and their ability to pay the cane price dues of the farmers. This has resulted in accumulation of cane dues of the farmers. Therefore, to help the sugar mills to clear their dues, the Central Government has taken several measures e.g. assistance to sugar mills in the form of interest free loan of Rs.6600/- crore through banks for sugar season 2013-14; incentives for production and export of raw sugar during sugar seasons 2013-14 and 2014-15; soft loan of Rs.6000/- crore from banks with interest subvention and moratorium for one year for sugar season 2014-15; smoothening of supply chain procedure for Ethanol-Blended Petrol (EBP); waiver of excise duty on ethanol to be supplied for EBP in 2015-16 sugar season; increase in import duty on sugar from 25% to 40% to discourage its import, etc.