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Title: Need to give share to farmers from Sugar Mills.

SHRI M. UDHAYAKUMAR (DINDIGUL): Respected Deputy Speaker, Sir, *vanakkam*. I thank my leader *Puratchi Thlaivi* hon. Chief Minister of Tamil Nadu, Dr. Amma, with immense gratitude for having given me this opportunity to speak about the crisis in the sugar industry before this august House.

The Indian sugar industry is a key driver of rural development supporting India's economic growth. Sugar output in India, the world's biggest producer behind Brazil, is estimated to rise to 26.5 million tonnes in the year 2014-2015 from 24.4 million in the previous year. Also, India has been importing sugar in small quantities taking advantage of lower global prices. According to the notification issued by the Central Board of Excise and Customs, import duty has been raised to 25 per cent on raw sugar and refined or white sugar in August, 2015 to bail out the cash- strapped industry.

The country imports very little, but surplus production over the past few years has depressed prices, hitting mills' ability to pay dues to the sugarcane farmers. The sugar industry says that it is worse-off; banks have stayed away from providing money; and investors have deserted sugar shares in a booming market. The industry is not able to pay the price of sugarcane to farmers nor able to sell its sugar stocks. Sugar mills are pitching for a one-time intervention by the Central Government for purchase of 2.2 million tonnes of surplus in the country's sugar pool to arrest a steady decline in the commodity's prices and provide Rs. 7000 crore of much needed cash for the struggling industry.

It is known that the Union Food Ministry is planning to further raise the import duty to 40 per cent. At the same time, the increase in duty would make imports unviable and may lead to some jump in domestic sugar prices that will cause burden on consumers. This increase will help the industry clear cane arrears running into Rs. 19,000 crore.

I would request the Ministries of Food and Finance to examine solutions to enable the sugar industry to clear cane arrears. The Government should find an amicable solution to this problem, and the solution should enable greater prosperity for millions of farmers and drive future growth of the industry in domestic and international markets while contributing towards food and energy security for India.

I would urge upon the Union Minister that the minimum price of sugarcane to the farmers is to be fixed as Rs. 3,500 instead of Rs. 2,650 per tonne.