

**GOVERNMENT OF INDIA  
MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION  
DEPARTMENT OF FOOD AND PUBLIC DISTRIBUTION**

**LOK SABHA  
UNSTARRED QUESTION NO. 187  
TO BE ANSWERED ON 2<sup>nd</sup> February, 2021**

**INTEREST FREE LOAN/SUBSIDY TO SUGAR MILL OWNERS**

**187. DR. DNV SENTHILKUMAR S.:  
DR. SUBHASH RAMRAO BHAMRE:  
SHRIMATI SUPRIYA SULE:  
DR. AMOL RAMSING KOLHE:  
SHRI KULDEEP RAI SHARMA:  
SHRI SUNIL DATTATRAY TATKARE:**

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:**

- (a) whether the Government provides interest free loan/subsidy to the sugar mill owners in the country and if so, the details thereof indicating the quantum of funds provided and the purpose for which the said funds were provided during the last three years and the current year;
- (b) whether the Government has approved Rs.3,500 crore subsidy to sugar mills for export of 60 lakh tonnes of sugar during the year 2020-21;
- (c) if so, the details thereof and the aim and objective behind the move;
- (d) the number of sugarcane growing farmers to be benefited out of this subsidy, State-wise including Maharashtra; and
- (e) the mechanism put in place by the Government to monitor timely transfer of funds and its utilisation by the farmers?

**A N S W E R  
MINISTER OF STATE FOR MINISTRY OF CONSUMER AFFAIRS, FOOD &  
PUBLIC DISTRIBUTION  
(SHRI DANVE RAOSAHEB DADARAO)**

(a): To improve the liquidity of sugar mills thereby enabling them to clear cane price dues of farmers, Central Government has taken number of initiatives from time to time. The details of funds provided to sugar mills under various measures during the last three sugar seasons and the current sugar season are as under:

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**SUGAR SEASON 2017-18:**

**(i) Extended Assistance to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane and reimbursed about Rs.430 crore under this scheme.**

**(ii) Allocated buffer stock of 30 LMT amongst sugar mills in sugar season 2017-18 for which Government decided to reimburse carrying cost of Rs.780 crore towards maintenance of buffer stock.**

**SUGAR SEASON 2018-19**

- i. Extended interest subvention on the loans given by banks to sugar mills under the scheme namely "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity". Interest subvention @ 6 % per annum or 50% of rate of interest charged by banks, whichever is lower, on the loans extended by banks is borne by the Central Government for five years including one year moratorium against the loan availed by project proponents.**
- ii. Extended Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane and reimbursed about Rs.3000 crore under this scheme.**
- iii. Extended Assistance to sugar mills for defraying expenditure towards internal transport, freight, handling and other charges to facilitate export of sugar from the country in sugar season 2018-19 and decided to reimburse about Rs. 900 crore under this scheme.**
- iv. Extended soft loans amounting to Rs 7402 crore to sugar mills through banks, for which Government would bear interest subvention of about Rs 518 crore @ 7% for one year.**

**SUGAR SEASON 2019-20**

**(i) Allocated buffer stock of 40 LMT amongst sugar mills for a period of one year from 1st August, 2019 to 31st July, 2020 for which Government decided to reimburse carrying cost of Rs.1674 crore towards maintenance of buffer stock.**

**(ii) Providing assistance to sugar mills @ Rs 10448/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2019-20 for which an estimated expenditure of Rs 6288 Cr would be borne by Govt.**

**SUGAR SEASON 2020-21**

**(i) Providing assistance to sugar mills @ Rs 6000/MT to facilitate export of sugar for expenses on export of 60 LMT of sugar in sugar season 2020-21 for which an estimated expenditure of Rs 3500 Cr would be borne by Govt.**

**(b) & (c): With a view to facilitate export of excess sugar from the country during the sugar season 2020-21 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers, Central Government has notified a scheme on 29-12-2020 for providing assistance to sugar mills for marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of 60 LMT of sugar. An expenditure of about Rs. 3500 crore is to be borne by the Central Government.**

**(d): There are about 5 crore sugarcane farmers including their families in the country, which are being benefited from various schemes for sugar sector. Data regarding number of farmers benefited under the individual scheme is not maintained by the Government.**

**(e): In order to ensure that the assistance is directly credited into the accounts of farmers, the sugar mill shall open a separate no-lien account in a nationalized bank/cooperative bank and furnish to that bank, the list of farmers along with bank accounts details and extent of cane price dues payable to the farmers, for the sugar season 2020-21 and cane price arrears of previous sugar seasons, duly certified by the Cane Commissioner / Director of Sugar of the state concerned. The bank shall credit the amount of assistance to the farmers' accounts on behalf of the sugar mills against cane dues payable and subsequent balance, if any, shall be credited into mill's account. The sugar mill concerned shall submit utilization certificate duly counter signed by the respective Sugarcane Commissioner / Director (Sugar) within three months from the date of release of subsidy certifying that the subsidy so released has been utilized for the purpose specified in the Scheme.**

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