

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

LOK SABHA
UNSTARRED QUESTION NO. 155
TO BE ANSWERED ON 11 DECEMBER, 2018

MSP FOR SUGARCANE

155. SHRI NALIN KUMAR KATEEL:
SHRI D.K. SURESH

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

- (a) whether the Union Government is aware that hundreds of farmers, including the womenfolk, staged a protest in Karnataka demanding minimum support price for sugarcane and if so, the details thereof;
- (b) whether it has also come to the notice of the Union Government that sugarcane farmers are not getting their arrears from the mill owners;
- (c) if so, whether the Government has taken any measures to ensure that sugarcane arrears are settled by the mill owners;
- (d) whether the Union Government has taken note that farmers are discouraged from growing sugarcane, it was no longer remunerative as mill owners were unwilling to pay more and settle the arrears; and
- (e) if so, whether the Government has taken any measures to ensure that sugarcane farmers are provided MSP for their produce and they are encouraged by taking steps to settle the arrears from the mill owners and if so, the details thereof?

A N S W E R

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)

- (a): In Belagavi and Bagalkot district of Karnataka, sugarcane farmers were involved in protest demanding the cane price payment over and above the Fair and Remunerative Price (FRP) for the sugar season 2017-18.

(b) & (c): Depressed sugar price due to excess sugar production during previous sugar season 2017-18 has adversely affected the financial health of sugar mills resulting accumulation of cane price arrears of farmers which peaked at Rs. 14538 cr on the basis of Fair and Remunerative Price (FRP) and Rs. 23232 cr on State Advised Price (SAP) basis in the last week of May, 2018 on all India basis. However, with a view to improve the liquidity position of sugar mills enabling them to clear cane price arrears of farmers, the Government has taken the following measures during last few months:-

- (i) In order to prevent cash loss and to facilitate sugar mills to clear cane dues of farmers in time, the Government has fixed a minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar.
- (ii) Extending Assistance to sugar mills @Rs.5.50/quintal of cane crushed for sugar season 2017-18 to offset the cost of cane amounting to about Rs.1540 crore;
- (iii) Created buffer stock of 30 LMT in sugar season 2017-18 for which Government will reimburse carrying cost of Rs.1175 crore towards maintenance of buffer stock;
- (iv) Extending soft loans of Rs. 6139 crore through banks to the mills for setting up new distilleries and installation of incineration boilers to augment ethanol production capacity for which Government will bear interest subvention of Rs. 1332 crore;
- (v) Extending Assistance to sugar mills @Rs.13.88/quintal of cane crushed for sugar season 2018-19 to offset the cost of cane amounting to about Rs.4163 crore;
- (vi) Extending 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 amounting to about Rs. 1375 crore.
- (vii) Government has also notified new National Policy on Bio-Fuels, 2018 under which sugarcane juice has been allowed for production of ethanol. Further, the Government has fixed remunerative price of ethanol produced from C-Heavy molasses and B-Heavy molasses/sugarcane juice separately for supply under Ethanol Blended Petrol (EBP) Programme during ethanol season 2018-19.

As a result of various measures taken by the Government, the cane price arrears for the sugar season 2017-18 have come down to Rs. 1924 cr and Rs.5465 cr on FRP and SAP basis respectively on all India basis.

(d) & (e): No such report has been brought to the notice of Government of India. In the interest of sugarcane farmers, the Government fixes Fair and Remunerative Price of sugarcane for each sugar season.

As per the provisions of Sugarcane (Control) Order, 1966, the sugar mills are required to purchase sugarcane at the price fixed by Government.