

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

**LOK SABHA  
UNSTARRED QUESTION NO. 4798  
TO BE ANSWERED ON 23<sup>rd</sup> JULY, 2019**

**SUGAR INDUSTRIES**

**4798. SHRI ANNASAHEB SHANKAR JOLLE:**

**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 has taken/proposes to take any action regarding improved policies for sugar industries which is commercially beneficial to the sugarcane farmers by considering the fact that the country is one of the largest sugar producing countries and farmers are major part of this industry; and**

**(b) if so, the details thereof?**

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

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**(a)& (b): Keeping in view the interest of sugarcane farmers, the Central Government has replaced the concept of Statutory Minimum Price (SMP) of sugarcane with that of Fair and Remunerative Price (FRP) under which upfront margin for profit and risks is assured to farmers. Since, sugar season 2009-10, the Central Government is fixing FRP of sugarcane on the basis of the recommendations of the Commission for Agricultural Costs and Prices (CACP) after consultation with the all stake holders. Besides, various policy interventions are undertaken by the Government from time to time to facilitate timely payment of cane price dues of farmers. Depressed sugar prices due to excess sugar production, has adversely affected the liquidity position of the sugar mills resulting in accumulation of cane price arrears of farmers. 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 policy intervention/measures in the recent past:**

- (i) Fixed minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, which has been enhanced to Rs. 31/kg for sugar season 2018-19.**
- (ii) Created buffer stock of 30 LMT for one year w.e.f. 01.07.2018 envisaging reimbursement of carrying cost by the Government.**
- (iii) Extended Assistance to sugar mills to offset the cost of cane @Rs.5.50/quintal and @ Rs.13.88/quintal of cane crushed for sugar season 2017-18 and 2018-19 respectively;**
- (iv) 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.**
- (v) Remunerative prices have been fixed separately for ethanol produced from C-heavy, B-Heavy and cane juice for supply under Ethanol Blended Petrol (EBP) Programme.**
- (vi) Extended financial assistance through banks to molasses based stand alone distilleries and also to distilleries attached with sugar mills for enhancement and augmentation of ethanol production capacity.**
- (vii) Extended soft loans to sugar mills through banks envisaging interest subvention by Government @ 7%.**

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