

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

LOK SABHA
STARRED QUESTION NO.220
TO BE ANSWERED ON 15TH MARCH, 2023

SETTING UP OF TASK FORCE FOR SUGAR INDUSTRY

†*220. SHRI RAVINDRA KUSHWAHA:
SHRI RAVI KISHAN:

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 proposes to set up a task force for the sugar industry to address the problems being faced by it;
- (b) if so, the details thereof;
- (c) whether it is not feasible for the Government to issue financial packages year after year to the sugarcane industry;
- (d) if so, whether this is likely to lead to a reduction in the production; and
- (e) if so, the details thereof?

A N S W E R
MINISTER OF COMMERCE & INDUSTRY, CONSUMER AFFAIRS, FOOD
& PUBLIC DISTRIBUTION AND TEXTILES
(SHRI PIYUSH GOYAL)

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

**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE
STARRED QUESTION NO.220 FOR ANSWER ON 15.03.2023 IN THE LOK
SABHA.**

(a)&(b): The Central Government had set up a Task Force in NITI Aayog in December, 2018 under the Chairmanship of Prof. Ramesh Chand, Member, NITI Aayog to explore long-term solutions for the sugar industry. Task Force has submitted its report on 03.06.2020. The Terms of Reference of the Task Force were as under:

- i) To suggest long-term solutions to the problems faced by the sugarcane farmers and sugar industry;**
- ii) Measures for rationalizing the sugar economy;**
- iii) Measures to make sugar industry less state-dependent and align it with global markets;**
- iv) Encouraging farm diversification so as to reduce adverse impact on the water sector.**

In order to comprehensively examine the recommendations of the Task Force and Commission for Agricultural Costs and Prices (CACP), and to evolve mechanism to implement these recommendations, a Working Committee under Chairmanship of Joint Secretary (Sugar), Department of Food & Public Distribution (DFPD) was constituted on 20.10.2020 by DFPD.

(c): Since 2017-18, Government of India has given multiple financial assistance as well as made policy interventions in the interest of sugarcane farmers and sugar industry as a whole as and when required. Salient measures taken by the Government for Sugar Sector in recent years are as under:

- i) Minimum Selling Price of sugar was fixed to prevent fall in ex-mill prices of sugar & accumulation of cane arrears (initially at ₹ 29/kg w.e.f 07-06-2018; revised to ₹ 31/kg w.e.f. 14-02-2019). This helped in controlling distress sale of sugar by mills and better price realization of sugar for mills resulting in faster clearance of cane dues of farmers.**

- ii) Financial assistance of more than ₹ 18,000 crore extended to mills resulting in clearance of farmers' dues during last 7 years.
- iii) Diversion of surplus sugar to production of ethanol led to improved financial conditions of sugar mills. As a result, they are able to clear cane dues early. During last sugar season 2021-22, about 36 LMT sugar was diverted to ethanol production leading to revenue of about 18,000 crore to sugar mills which helped in improvement of financial position of mills and payment of cane dues to farmers.
- iv) During 2017-18 to 2020-21, Government of India gave financial assistance to sugar mills for exports of sugar which led to timely disposal of surplus sugar and better cash flows to sugar mills. The financial assistance was linked to clearance of cane dues so ultimately, the assistance led to clearance of cane arrears of farmers by mills.

Due to these measures, sugar sector has become self sustainable and no financial support from Government of India has been needed by sugar mills since sugar season 2021-22.

(d) & (e): Financial Assistance to sugar mills has led to capacity building in the sugar industry. Sugar industry is self reliant now. In fact, sugarcane and sugar production has increased in the last six years. In Sugar Season 2021-22, India became the world's largest producer of sugar and 2nd largest exporter of sugar.
