

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

LOK SABHA
UNSTARRED QUESTION NO. 3612
TO BE ANSWERED ON 10TH DECEMBER, 2019

PACKAGE TO SUGARCANE FARMERS

†3612. SHRI PANKAJ CHAUDHARY:

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 declare any package to the sugarcane farmers for payment of sugarcane price;
- (b) if so, the details thereof;
- (c) whether the Government has decided to provide sugar import subsidy direct to the farmers; and
- (d) if so, the total amount of sugarcane likely to be paid to the farmers by this decision of the Government?

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

(a) & (b): With a view to ensure that sugarcane farmers get the remunerative price of sugarcane supplied by them to sugar mills, the Central Government fixes the Fair & Remunerative Price (FRP) of Sugarcane, before the commencement of every sugar season, on the basis of the recommendations of Commission for Agriculture Costs & Prices (CACP). FRP is the benchmark price below which no sugar mill can purchase cane from farmers. The FRP of sugarcane for sugar season 2019-20 has been fixed at Rs.275/- per quintal at basic recovery rate of 10%.

Further, with a view to improve liquidity position of sugar mills thereby enabling them to clear cane price dues of farmers, the Government has taken following measures in past six months:

- (i) Created buffer stock of 40 LMT of sugar for a period of one year from 01.8.2019 to 31.7.2020 for which Government would be reimbursing carrying cost of about Rs.1674 crore towards maintenance of buffer stock.**
 - (ii) Extending assistance to sugar mills to facilitate export of 60 LMT of sugar from the country in sugar season 2019-20, for which an estimated expenditure of Rs 6268 crore would be borne by the Government.**
 - (iii) The Government has also allowed production of ethanol from sugar and sugar syrup; and has fixed the remunerative ex-mill price of ethanol derived from C-heavy molasses, B-heavy molasses and sugarcane juice/ sugar/ sugar syrup.**
- (c) & (d): In view of huge carryover stock of sugar in the country and estimates of surplus production of sugar than the estimated consumption in the current sugar season 2019-20, the Government has imposed custom duty @ 100% on import of sugar to prevent import of sugar. Further, to encourage export of sugar, the Government is extending assistance to sugar mills to facilitate export of sugar, as enumerated in para (ii) of part (a) and (b) of reply. The assistance being extended to sugar mills would be credited directly into the accounts of farmers against their cane dues and balance, if any, would be credited into the mills' account.**
