

GOVERNMENT OF INDIA
MINISTRY OF AGRICULTURE AND FARMERS WELFARE
DEPARTMENT OF AGRICULTURE AND FARMERS WELFARE

LOK SABHA
UNSTARRED QUESTION NO. 413
TO BE ANSWERED ON THE 21ST JULY, 2026

EXPAND SUGARCANE FARMING

413. SHRI HARENDRA SINGH MALIK:

Will the Minister of AGRICULTURE AND FARMERS WELFARE कृषि एवं किसान कल्याण मंत्री be pleased to state:

(a) whether the Government is providing any special Budgetary incentives for expanding the scope of sugarcane farming from sugar to Bio-energy in Muzaffarnagar and Bijnor district with an aim to make these districts Bio-energy subs, if so, the details thereof;

(b) whether the Government proposes to provide any additional subsidy on solar pumps for irrigation to sugarcane farmers in Muzaffarnagar and Bijnor districts under the PM-KUSUM Scheme;

(c) whether the Government is contemplating upon amending the FRP formula in order to ensure that farmers are able to receive their share directly from the income generated from the production of electricity and ethonol as by products in sugar mills, if so, the details thereof; and

(d) the details of the target fixed for Muzaffarnagar regarding the promotion of drip irrigation under Per Drop More Crop Scheme keeping in view the depleting ground water table in the district?

ANSWER

MINISTER OF STATE FOR AGRICULTURE AND FARMERS WELFARE

कृषि एवं किसान कल्याण राज्य मंत्री

(SHRI RAMNATH THAKUR)

(a) Sugarcane is one of the important commercial crops in India, cultivated over an average area of 54.20 lakh hectares with an average production of 448.62 million tonnes during the period 2020-21 to 2024-25. Besides meeting the domestic requirement of sugar, sugarcane serves as a feedstock for a range of value-added products such as jaggery, khandsari, ethanol, etc. Further, its by-products, viz., molasses, bagasse and press mud, are utilized for the production of ethanol, renewable electricity, organic manure and compressed biogas.

The Ministry of Consumer Affairs, Food & Public Distribution and Ministry of New and Renewable Energy implement various schemes throughout the country which includes support for sugar mills for Bio-energy. The Department of Food & Public Distribution implemented the 'Scheme for extending financial Assistance to sugar mills/distilleries for enhancement and augmentation of the Ethanol Production capacity' with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, especially in the sugar surplus seasons. The scheme also aimed to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers. Under the scheme, the Government extended financial assistance in the form of interest subvention for five years including a one-year moratorium against the loan availed by project proponents from banks @ 6% per annum or 50% of the rate of interest charged by banks, whichever is lower, for setting up of new distilleries or expansion of existing distilleries or converting molasses-based distilleries to dual feed stocks. Various windows for application were opened under the scheme from 2018 to 2022 and a separate scheme window of 6 months for Cooperative Sugar Mills was notified on 06.03.2025. Currently no window is open for receiving applications under the ethanol interest subvention scheme.

The Ministry of New and Renewable Energy (MNRE) under its National Bioenergy Programme has been providing Central Financial Assistance for installation of waste-to-energy plants, biomass-based power projects, biomass based Briquette/Pellet manufacturing projects, including Muzaffarnagar and Bijnor districts of Uttar Pradesh. The Scheme was valid till 31.03.2026, for issue of sanctions under the National Bioenergy Programme. However, there is no separate budgetary incentives for expanding the scope of sugarcane farming from sugar to Bio-energy in Muzaffarnagar and Bijnor District of Uttar Pradesh with an aim to make these districts Bio-energy hubs, under their National Bioenergy Programme.

(b) The Government of Uttar Pradesh under Component-B of the PM-KUSUM Scheme provides a subsidy of 60% to farmers across all districts of the State for the installation of solar pumps ranging from 2 HP to 7.5 HP. Further, the subsidy applicable for 7.5 HP solar pumps is being extended to 10 HP solar pumps. No additional subsidy is being provided exclusively to sugarcane farmers in the Muzaffarnagar and Bijnor Lok Sabha constituencies.

(c) The Central Government fixes the Fair and Remunerative Price (FRP) of sugarcane for Sugar Season (October-September) on the recommendations of the Commission for Agricultural Costs and Prices (CACP) in consultation with the State Governments and other stakeholders, in accordance with the factors mentioned in clause 3(1) of the Sugarcane (Control) Order, 1966. There is no proposal of amending the FRP formula.

(d) The Horticulture Department, Government of Uttar Pradesh had set a target of 1,500 hectares for the installation of drip irrigation systems in sugarcane under Muzaffarnagar district during 2025–26, against which an area of 1,208 hectares has been covered.
