

GOVERNMENT OF INDIA
MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO: 126

ANSWERED ON:02.02.2022

Problems of Sugar Mills

Arun Kumar Sagar

- (a) the details of problems of sugar producing mills and farmers respectively in the country;
- (b) whether the Government is taking any steps to address said issues;
- (c) if so, the details thereof; and
- (d) the special measures adopted by the Government to make country self-dependent in the field of sugar production?

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:-

ANSWER

A N S W E R

MINISTER OF STATE FOR MINISTRY OF RURAL DEVELOPMENT AND CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SADHVI NIRANJAN JYOTI)

(a) to (c): In a normal sugar season, production of sugar is around 320-330 Lakh Metric Tonne (LMT) as against the domestic consumption of 260 LMT which results in huge carry over stock of sugar with mills. This excess stock of 60 LMT also leads to blockage of funds & affects the liquidity of sugar mills resulting in delayed payment of cane dues thereby sometimes resulting in accumulation of cane arrears of farmers.

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In order to find a long term solution to address the problem of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol. As the revenues generated from sale of ethanol by sugar mills/distilleries reach to the accounts of sugar mills in around 3 weeks time as against 12-15 months time taken from sale of sugar, production of ethanol would improve liquidity of sugar mills enabling them to make timely payment of cane dues of sugarcane farmers. Government has fixed target of 10% blending of fuel grade ethanol with petrol by 2022 & 20% blending by 2025. In sugar seasons 2018-19, 2019-20 & 2020-21, about 3.37 LMT, 9.26 LMT & 22 LMT of sugar diverted to ethanol respectively.

Also, with a view to improve the liquidity position of sugar mills and to enable them to make timely payment of cane dues of farmers, Central Government had taken various measures viz. extended assistance to sugar mills to facilitate export of sugar; extended assistance to mills for maintaining buffer stocks; extended soft loans to sugar mills through banks to clear cane price dues; fixed Minimum Selling Price of sugar etc.

As a result of these measures, about 99% of cane dues upto sugar seasons 2019-20 and 98% of cane dues for sugar season 2020-21 have been cleared.

(d): In normal sugar season, production of sugar is around 320-330 Lakh Metric Tonne (LMT) as against the domestic consumption of 260 LMT. Therefore, country is self- dependent in sugar production. Moreover, Central Government fixes Fair & Remunerative Price (FRP) of sugarcane before commencement of every sugar season to encourage farmers to cultivate sugarcane and facilitate continued operation of sugar factories for domestic manufacturing of sugar.
