

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

UNSTARRED QUESTION NO: 1376

ANSWERED ON:27.07.2021

Self-Reliance in Sugar Production

Sadashiv Kisan Lokhande

- (a) the details of common areas of contention between the sugar producing mills and sugarcane farmers of the country;
- (b) whether the Government is taking any steps to solve the above problems;
- (c) if so, the details thereof; and
- (d) the measures that are being taken by the Government in the direction of making the country self-reliant 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(d): India is self reliant in the production of sugar. In a normal sugar season (October-September), production of sugar in the country 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 sugar mills. Due to excess availability of sugar in the country, the ex-mill prices of sugar remain subdued resulting in cash loss to sugar mills. This excess stock of 60-70 LMT also leads to blockage of funds & affects the liquidity of sugar mills resulting in accumulation of cane price arrears of farmers.

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With a view to improve the liquidity position of sugar mills, the Government has been taking various interventions from time to time viz. provided assistance to sugar mills to offset the cost of cane, fixation of Minimum Selling Price of sugar, extended financial assistance to sugar mills for maintenance of buffer stocks, extended financial assistance to sugar mills to facilitate export of sugar, extended soft loans to sugar mills, etc. As a result of these measures, cane arrears for sugar seasons 2017-18, 2018-19 and 2019-20 came down to Rs. 193 cr, 403 cr and Rs. 142 cr respectively from peak arrears of about Rs. 23000- 28000 crore.

In order to find a long term solution to deal with the problem of excess sugar, Government is encouraging sugar mills to divert excess sugarcane to ethanol which is blended with petrol, which not only serves as a green fuel but also saves foreign exchange on account of crude oil import. Revenue generated from sale of ethanol by mills helps sugar mills in clearing cane price dues of farmers. In past three sugar seasons 2017-18, 2018-19 and 2019-20, about Rs. 22000 cr revenue was generated by sugar mills/distilleries from sale of ethanol to Oil Marketing Companies (OMCs) which has helped in clearing cane price arrears of farmers. In current ethanol supply year (December-November), about Rs. 15000 cr revenue is likely to be generated by sugar mills from sale of ethanol to OMCs.

In last 2 sugar seasons 2018-19 & 2019-20, about 3.37 LMT & 9.26 LMT of sugar has been diverted to ethanol. In current sugar season 2020-21, more than 20 LMT is likely to be diverted. In the next season 2021-22, about 35 LMT of sugar is estimated to be diverted; & by 2025 about 60 LMT of excess sugar is targeted to be diverted to ethanol, which is likely to solve the problem of excess sugarcane/ sugar.
