

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

STARRED QUESTION NO:289
ANSWERED ON:22.12.2003
AID TO SUGARCANE GROWERS
RENUKA CHOWDHURY

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether the Government had approved a Rs.678.06 crore one-time assistance package for sugarcane growers;
- (b) whether the aid is confined to Uttar Pradesh, Uttaranchal, Haryana, Punjab and Bihar;
- (c) if so, the reasons for discrimination against cane growers of other States;
- (d) whether there has also been a demand from other States for Central assistance and if so, the names of the States; and
- (e) the quantum of assistance provided to these States?

Answer

MINISTER OF AGRICULTURE (SHRI RAJNATH SINGH)

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

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 289 DUE FOR REPLY ON 22ND DECEMBER, 2003.

(a) to (c): The Central Government has decided to provide Rs.678.06 crore as one time assistance through the Ministry of Agriculture as loan @ 4% per annum to the State Government to mitigate the hardship of the sugarcane farmers who have not been paid cane arrears for 2002-03 season arising out of the difference between Statutory Minimum Price (SMP) and State Advised Prices (SAP) with regard to private sector sugar factories in Uttar Pradesh, Uttaranchal, Bihar, Punjab and Haryana, where SAP was in vogue.

(d)&(e): The States of Maharashtra, Tamil Nadu, Karnataka and Gujarat have also demanded central assistance. A separate package for all sugar mills in States not announcing State Advised Prices (SAP) of sugarcane and for sugar mills in the cooperative and the public sector in SAP States has been approved by the Central Government in the Ministry of Consumer Affairs, Food & Public Distribution. Under that package, it has been decided to offer assistance to the State Governments by way of market borrowings to help sugar factories to clear cane price arrears of 2002-03 sugar season. The State Governments would be extended financial support by the Central Government to meet the interest liability to the extent of difference between the Coupon Rate on the Bonds raised through additional market borrowings and 4% rate at which loan will be extended to the sugar mills by these State Governments. The State Governments have to make specific proposals in this regard to the Ministry of Finance seeking permission for access to additional open market borrowings. The Central Government has permitted Maharashtra Government to access additional open market borrowings amounting to Rs.300 crores.