

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

UNSTARRED QUESTION NO:1721

ANSWERED ON:12.12.2003

SUGARCANE PRICE ARREARS

BRAHMANAND MANDAL;GANGASANDRA SIDDAPPA BASAVARAJ;YOGI ADITYANATH

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

(a) whether the Government has formulated any package for State Governments to clear sugarcane price arrears for the year 2002-03 and during the current fiscal year;

(b) if so, the details thereof; and

(c) the funds allotted under the scheme, State-wise?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SREENIVASA PRASAD)

(a),(b)&(c): The Central Government have allocated Rs.678.06 crores for assistance to the Governments of UP, Uttaranchal, Bihar, Punjab and Haryana to help clearance of sugarcane price arrears in respect of 2002-03 sugar season by private sugar factories in these States as indicated below:

Name of State Allocation (in Rs. crores)

Uttar Pradesh	490.21
Uttaranchal	32.25
Bihar	39.91
Punjab	30.96
Haryana	84.73

The Central Government have also decided to offer assistance to the State Governments by way of market borrowings to help sugar factories clear cane price arrears of 2002-03 sugar season. As per this decision, the State Governments would be extended financial support to meet the interest differential representing the difference between the Coupon Rate on the Bonds raised through additional market borrowings and 4% (the rate at which loan is being extended to the sugar mills). This assistance would be available to the mills in the cooperative and public sectors in the States where the practice of State Advised Prices (SAP) of sugarcane is prevalent and to all sugar mills in the States where no such practice exists. The extent of open market borrowings will depend the cane price arrears of 2002-03 sugar season.